established for the most recent period for the manufacturer of the subject merchandise; and 5) if neither the exporter nor the manufacturer is a firm covered in this or any previous proceeding conducted by the Department, the cash deposit rate will continue to be the ''all others'' rate established in the LTFV investigation, which is 18.71 percent. *See Amended Final and Order*. For shipments processed by DJG we will, 1) apply Dofasco's rate on merchandise supplied by Dofasco or DSG; 2) apply the company–specific rate on merchandise supplied by other previously reviewed companies; and, 3) apply the ''all others'' rate for merchandise supplied by companies which have not been reviewed in the past. These cash deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Duty Assessment

Upon publication of the final results of this review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. Pursuant to section 351.212(b)(1) of the Department's regulations, the Department calculates an assessment rate for each importer of the subject merchandise for each respondent. Stelco and Dofasco have reported entered values for all of their respective sales of subject merchandise to the United States during the POR. We have compared the entered values reported by Stelco and Dofasco with the entered values that they reported to CBP on their customs entries and preliminarily find that Stelco and Dofasco's reported entered values are reliable. *See Stelco's Preliminary Analysis Memorandum and Dofascos's Preliminary Analysis Memorandum*. Therefore, in accordance with section 351.212(b)(1) of the Department's regulations, we will calculate importer–specific ad valorem assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for the examined sales and the total entered value of the examined sales. These rates will be assessed uniformly on all entries the respective importers made during the POR if these preliminary results are adopted in the final results of review. The Department will issue appropriate assessment instructions directly to CBP within 41 days of the final results of this review. *See* section 356.8(a) of the Department's regulations.

The Department clarified its ''automatic assessment'' regulation on May 6, 2003. *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*). This clarification will apply to entries of subject merchandise during the period of review produced by companies included in these final results of reviews for which the reviewed companies did not know that the merchandise it sold to the intermediary (*e.g.*, a reseller, trading company, or exporter) 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 intermediary involved in the transaction. *See Assessment Policy Notice* for a full discussion of this clarification.

Public Comment

Pursuant to section 351.224(b) of the Department's regulations, the Department will disclose to any party to the proceeding the calculations performed in connection with these preliminary results, within five days after the date of publication of this notice. Pursuant to section 351.309(c)(ii) of the Department's regulations, interested parties may submit case briefs in response to these preliminary results no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than 5 days after the time limit for filing case briefs in accordance with section 351.309(d)(1) of the Department's regulations. Parties who submit arguments in this proceeding 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 in accordance with section 351.309(d)(2) of the Department's regulations. Further, the Department requests that parties submitting briefs provide the Department with an additional copy of the public version of any such comments on a computer diskette. Case and rebuttal briefs must be served on interested parties in accordance with section 351.303(f) of the Department's regulations.

Any interested party may request a hearing within 30 days of publication of this notice in accordance with section 351.310(c) of the Department's regulations. Any hearing, if requested, will normally be held two days after the date for submission of rebuttal briefs in accordance with section 351.310(d)(1) of the Department's regulations. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments or at a hearing, within 120 days after the publication of this notice, unless extended. *See* section 751(a)(3)(A) of the Act; section 351.213(h) of the Department's regulations.

Notification To Importers

This notice serves as a preliminary reminder to importers of their responsibility under section 351.402(f) of the Department's regulations 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.

The preliminary results of this administrative review and this notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 31, 2006.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E6–14912 Filed 9–8–06; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

(A–580–816)

Certain Corrosion–Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: In response to requests from petitioners[1], the Department of Commerce (the Department) is conducting the twelfth administrative review of the antidumping order on corrosion–resistant carbon steel flat products (CORE) from Korea. This review covers four manufacturers and exporters (collectively, the respondents) of the subject merchandise: Dongbu Steel Co., Ltd., (Dongbu); Hyundai HYSCO (HYSCO); Pohang Iron & Steel Company, Ltd. and Pohang Coated Steel Co., Ltd. (POCOS), (collectively, the POSCO Group); and Union Steel Manufacturing Co., Ltd. (Union). The

[1] Petitioners are the United States Steel Corporation and Nucor Corporation. Mittal Steel USA ISG, Inc. (Mittal Steel USA) is a domestic interested party.

period of review (POR) is August 1, 2004, through July 31, 2005. We preliminarily determine that during the POR, Dongbu, the POSCO Group, and Union made sales of subject merchandise at less than normal value (NV). However, we preliminarily determine that HYSCO did not make sales of subject merchandise at less than NV (*i.e.*, sales were made at ''zero'' or *de minimis* dumping margins). If these preliminary results are adopted in the final results of this administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess HYSCO's appropriate entries at an antidumping liability of zero percent of the entered value and instruct CBP to assess Dongbu, the POSCO Group, and Union at the rates referenced in the ''Preliminary Results of the Review'' section of this notice.

EFFECTIVE DATE: September 11, 2006.

FOR FURTHER INFORMATION CONTACT: Jolanta Lawska (Union), Preeti Tolani (Dongbu), Victoria Cho (the POSCO Group), and Joy Zhang (HYSCO), AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–8362, (202) 482–0395, (202) 482–5075, and (202) 482–1168, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 19, 1993, the Department published the antidumping order on CORE from Korea. *See Antidumping Duty Orders on Certain Cold–Rolled Carbon Steel Flat Products and Certain Corrosion–Resistant Carbon Steel Flat Products from Korea*, 58 FR 44159 (August 19, 1993) (*Orders on Certain Steel from Korea*). On September 20, 2005, we published in the **Federal Register** the *Notice of Opportunity to Request Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation*, 70 FR 44085 (August 1, 2005). On August 31, 2005, respondents and petitioners requested a review of Dongbu, HYSCO, the POSCO Group, and Union. The Department initiated this review on September 28, 2005. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 70 FR 56631 (September 28, 2005).

During the most recently completed segments of the proceeding in which Dongbu, HYSCO, the POSCO Group, and Union participated, the Department disregarded sales below the cost of production (COP) that failed the cost test.[2] Therefore, pursuant to section 773(b)(2)(A)(ii) of the Tariff Act of 1930, as amended (the Act), we had reasonable grounds to believe or suspect that sales by these companies of the foreign like product under consideration for the determination of NV in this review were made at prices below the COP. We instructed Dongbu, HYSCO,[3] the POSCO Group, and Union to respond to sections A–D of the initial questionnaire,[4] which we issued on September 28, 2005.

On April 18, 2006, the Department published a notice extending the time period for issuing the preliminary results of the twelfth administrative review from May 3, 2006, to August 11, 2006. *See Corrosion Resistant Carbon Steel Flat Products From Korea: Extension of Time Limits for the Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 19872 (April 18, 2006).

On July 28, August 1, August 2, and August 17, 2006, the petitioners submitted comments with respect to HYSCO, Union, the POSCO Group and Dongbu. On July 28, 2006, U.S. Steel submitted comments with respect to HYSCO. On August 2, 2006, Mittal Steel USA, submitted comments regarding HYSCO. On July 28, and August 17, 2006, Mittal Steel USA submitted comments with respect to Union. On August 1, 2006, Mittal Steel USA and U.S. Steel both submitted comments with respect to the POSCO Group. On August 3, 2006, Mittal Steel USA submitted comments with respect to Dongbu. *See* company–specific Calculation Memoranda for full details.

On August 16, 2006, the Department published a notice extending the time period for issuing the preliminary results of the twelfth administrative review from August 11, 2006, to August 31, 2006. *See Corrosion Resistant Carbon Steel Flat Products From Korea: Extension of Time Limits for the Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 47170 (August 16, 2006).

Dongbu

On November 18, 2005, Dongbu submitted its section A response to the initial questionnaire. On December 2, 2005, Dongbu submitted its sections B–D response to the initial questionnaire. On June 1, 2006, Dongbu submitted its supplemental questionnaire response to the Department's April 27, 2006, questionnaire for sections A through D. On July 25, 2006, Dongbu submitted its second supplemental questionnaire response to the Department's July 13, 2006, questionnaire for section D.

Union

On November 18, 2005, Union submitted its section A response to the initial questionnaire. On December 2, 2005, Union submitted its sections B–D response to the initial questionnaire. On May 26, 2006, Union submitted its supplemental questionnaire response to the Department's April 24, 2006, questionnaire for sections A through D. On June 23, 2006, Union submitted its second supplemental questionnaire response to the Department's June 9, 2006, questionnaire for sections A–D. On July 14, 2006, Union submitted its third supplemental questionnaire response to the Department's July 7, 2006, questionnaire for sections A through D. On August 2, 2006, Union submitted its fourth supplemental questionnaire response to the Department's July 12, 2006, questionnaire for sections A though D. On August 2, 2006, Union submitted its fifth supplemental questionnaire response to the Department's July 25, 2006, questionnaire for sections A through D. On August 16, 2006, Union submitted its sixth supplemental questionnaire response to the Department's August 4, 2006, questionnaire for sections A through D.

The POSCO Group

On December 2, 2005, the POSCO Group submitted its sections A through D response to the initial questionnaire. On May 23, 2006, the POSCO Group submitted its supplemental

[2] *Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 53153, 53154 (September 7, 2005) (*Preliminary Results of the 11th Review of CORE from Korea*); *Notice of Final Results of the Eleventh Administrative Review of the Antidumping Duty Order on Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea*, 71 FR 7513 (February 13, 2006) and accompanying *Issues and Decisions Memorandum* and *Notice of Amended Final Results of the Eleventh Administrative Review of the Antidumping Duty Order on Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea*, 71 FR 13962 (March 20, 2006).

[3] The Department aligned the 10th administrative review with a new shipper review of HYSCO. *See Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Preliminary Results of Antidumping Duty Administrative Review and Antidumping Duty New Shipper Review*, 69 FR 54101 (September 7, 2004) and *Notice of Final Results of the Tenth Administrative Review and New Shipper Review of the Antidumping Duty Order of Certain Corrosion Resistant Carbon Steel Flat Products from the Republic of Korea*, 70 FR 12443 (March 14, 2005).

[4] Section A: Organization, Accounting Practices, Markets and Merchandise

Section B: Comparison Market Sales

Section C: Sales to the United States

Section D: Cost of Production and Constructed Value

questionnaire response to the Department's April 18, 2006, questionnaire for sections A through D. On July 21, 2006, the POSCO Group submitted its second supplemental questionnaire response to the Department's July 7, 2006, questionnaire for sections B and C.

HYSCO

On December 2, 2005, HYSCO submitted its sections A through D response to the Department's initial questionnaire. On May 15, 2006, HYSCO submitted its supplemental questionnaire response to the Department's April 10, 2006, questionnaire for sections A through D. On July 19, 2006, HYSCO submitted a second supplemental questionnaire response to the Department's June 30, 2006, questionnaire for sections A through D.

Requests for Revision to the Model Match Criteria

On November 2, 2005, Mittal Steel USA, a domestic interested party, submitted information to the record regarding the Department's model match methodology on CORE from Korea. This submission also included a request that the Department modify its model match criteria and collect additional and detailed CORE product information from the respondents in this proceeding. Mittal Steel USA's November 2, 2005, submission included a copy of a May 28, 2004, study that it had submitted in the tenth (2002–03) administrative review of this proceeding. Mittal Steel USA's November 2, 2005, submission also included copies of the deficiency comments it submitted with respect to Union, Dongbu, HYSCO, and the POSCO Group in the eleventh (2003–2004) administrative review of this proceeding.[5] These submissions included Mittal Steel USA's previous requests that the Department change its model match methodology and collect additional CORE product characteristics on both a case–wide and a company–specific basis.

On December 1, 2005, the POSCO Group presented its model match submission (''POSCO model match submission'') discussing its specific arguments regarding its sales and production of laminated CORE products. In its model match submission, the POSCO Group requests that the Department modify the model match criteria for coated and painted CORE products. It also states that the Department has long held that model match criteria should reflect ''meaningful'' physical and commercial differences between products through the examination of the physical differences and the relative impact these differences have on the cost and price of the subject merchandise. Thus, the POSCO Group argues that the Department should revise the CTYPE field to differentiate certain specialty painted and laminated CORE products from other coated/painted CORE products.

In their December 5, 2005, Section B responses, Dongbu, the POSCO Group and Union discuss the various CORE products sold in their home markets. Dongbu explains that laminated products should be separately coded because the product commands a significantly higher price than pre–painted products, the cost of producing the laminated products is significantly higher, laminated CORE production occurs on markedly different coating machines, and the uses of the laminated products differ from the uses of other pre–painted products (including polyvinylidene fluoride CORE (''PVDF'')). Dongbu argues that the TOTCOM (*i.e.*, total cost of manufacturing) for its laminated CORE products is higher than its PVDF CORE products and, therefore, warrants a separate code. The POSCO Group explains that certain specialty coated/painted and laminated CORE products should be separately coded because the products command a significantly higher price than regular polyester pre–painted CORE products, the cost of producing the specialty coated/painted and laminated CORE products is significantly higher, specialty coated/painted and laminated CORE product production occurs on markedly different coating machines, and the uses of the specialty coated/painted and laminated CORE products differ from the uses of other regular polyester pre–painted CORE products. The POSCO Group explains that the specifics of its arguments can be found in its December 1, 2005, model match submission. Union states that its laminated steel is a corrosion–resistant steel with a polyethylene telephthalate (''PET'') film that is thermally sealed onto primer–coated CORE. Union also states that its affiliate, Union Coating Co., Ltd. (''UNICO''), produces laminated steel that has a colored PVC (''polyvinyl chloride'') film that is attached to the CORE substrate using an adhesive. Union goes on to state that laminating of its CORE products increases its production costs and sales price.

In its December 7, 2005, submission in response to the POSCO Group's model match submission and to Union's report of laminated sales of CORE, Mittal Steel USA argues that the Department should not consider any *ad hoc* modifications to the model match methodology employed in this proceeding and reiterates its argument that the Department should heed its repeated requests to collect additional information on all the products, *in toto*, from all the respondents in this administrative review. Mittal Steel USA further argues that the facts in the POSCO Group's request offers support to Mittal Steel USA's argument that the Department's current model match methodology might be fundamentally flawed. Mittal Steel USA states that if the POSCO Group believes the method is inaccurate with respect to certain CORE products, then this is a powerful suggestion that the current model match methodology is potentially inaccurate with respect to all the CORE products in this administrative review as well. Accordingly, Mittal Steel USA believes that it would be unfair for the Department to accommodate the POSCO Group's request, while ignoring Mittal Steel USA's, thereby allowing a one–way adjustment to the model match criteria simply because a respondent is able to provide detailed data with respect to its arguments. Mittal Steel USA argues further that a one–way adjustment would be arbitrary, prejudicial, and an abuse of the Department's discretion.

Finally, on January 18, 2006, the United States Steel Corporation (''U.S. Steel''), submitted additional factual information to the record. U.S. Steel's January 18, 2006, submission lacked any narrative explanation or description of the eight attachments it submitted to the record. Presumably, these exhibits are deemed, by U.S. Steel, relevant to this topic in this segment of this proceeding.

The Department has determined not to alter the model match criteria in this segment of the proceeding. While a number of arguments have been made by some of the interested parties in this segment of this proceeding, none have provided sufficient evidence to compel the Department to change its long–standing practice of applying its current model matching criteria in this segment of this proceeding. For further discussion of this issue, *see* the August 31, 2006, memorandum from James Terpstra, Program Manager, AD/CVD Operations, Office 3, to Melissa G. Skinner, Director, AD/CVD Operations,

[5] *See* Mittal Steel USA's November 2, 2005, submission at proprietary attachments 2, 3, 4, and 5 for its June 9, 20, 21, and July 19, 2005, deficiency comments regarding Union, Dongbu, HYSCO, and the POSCO Group, respectively, in the eleventh administrative review of this proceeding.

Office 3, of which the public version is available in the Central Records Unit (CRU), Room B–099 of the main Department building.

Period of Review

The POR covered by this review is August 1, 2004, through July 31, 2005.

Scope of the Order

This order covers 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 superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090. Included in the order are flat–rolled products of non–rectangular cross-section where such cross-section is achieved subsequent to the rolling process including products which have been beveled or rounded at the edges (i.e., products which have been ''worked after rolling''). Excluded from this order are flat–rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (''terne plate''), or both chromium and chromium oxides (''tin–free steel''), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating. Also excluded from this order are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness. Also excluded from this order are certain clad stainless flat–rolled products, which are three–layered corrosion–resistant carbon steel flat–rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat–rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio.

These HTSUS item numbers are provided for convenience and customs purposes. The written descriptions remain dispositive.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all CORE products produced by the respondents, covered by the scope of the order, and sold in the home market during the POR to be foreign like products for the purpose of determining appropriate product comparisons to CORE sold in the United States.

Where there were no sales in the ordinary course of trade of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed in Appendix V of the Department's antidumping questionnaire. In making the product comparisons, we matched foreign like products based on the Appendix V physical characteristics reported by each respondent. Where sales were made in the home market on a different weight basis from the U.S. market (theoretical versus actual weight), we converted all quantities to the same weight basis, using the conversion factors supplied by the respondent, before making our fair–value comparisons.

Normal Value Comparisons

To determine whether sales of CORE by the respondents to the United States were made at less than NV, we compared the Export Price (EP) or Constructed Export Price (CEP) to the NV, as described in the ''Export Price/Constructed Export Price'' and ''Normal Value'' sections of this notice. In accordance with section 777A(d)(2) of the Act, we calculated monthly weighted–average prices for NV and compared these to individual U.S. transactions.

Export Price/Constructed Export Price

We calculated the price of U.S. sales based on CEP, in accordance with section 772(b) of the Act, which defines the term ''constructed export price'' as ''the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (c) and (d) of this section.'' In contrast, section 772(a) of the Act defines ''export price'' as ''the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection (c) of this section.''

In determining whether to classify U.S. sales as either EP or CEP sales, the Department must examine the totality of the circumstances surrounding the U.S. sales process, and assess where the reviewed sales or agreements of sale were made for purposes of section 772(b) of the Act. In the instant case, the record establishes that the sales were made in the United States after importation. Dongbu's, the POSCO Group's, Union's, and HYSCO's affiliates in the United States (1) took title to the subject merchandise and (2) invoiced and received payment from the unaffiliated U.S. customers for their sales of the subject merchandise to those U.S. customers. Thus, the Department has determined that these U.S. sales should be classified as CEP transactions under section 772(b) of the Act.

For Dongbu, the POSCO Group, Union, and HYSCO, we calculated CEP based on packed prices to unaffiliated customers in the United States. Where appropriate, we made deductions from the starting price for foreign inland freight, foreign inland insurance, foreign brokerage and handling, international freight, marine insurance, U.S. warehousing expenses, U.S. wharfage, U.S. inland freight, U.S. brokerage and handling, loading expenses, other U.S. transportation expenses, U.S. customs duties, commissions, credit expenses, letter of credit expenses, warranty expenses, other direct selling expenses, inventory carrying costs incurred in the United States, and other indirect selling expenses in the country of manufacture and the United States associated with economic activity in the United States. Pursuant to section 772(d)(3) of the Act, we made an adjustment for CEP profit. Where appropriate, we added interest revenue to the gross unit price.

In order to ensure that we have accounted for all appropriate U.S.

interest expenses (i.e. both imputed and actual) without double–counting, we have utilized the following interest expense methodology. As in a previous review, in the U.S. indirect selling expenses, we have included net financial expenses incurred by the respondent's U.S. affiliates; however, we added U.S. interest expenses only after deducting U.S. imputed credit expenses and U.S. inventory carrying costs, so as to eliminate the possibility of double–counting U.S. interest expenses.[6]

Consistent with the Department's normal practice, we added the reported duty drawback to the gross unit price. We did so in accordance with the Department's long–standing test, which requires: (1) That the import duty and rebate be directly linked to, and dependent upon, one another; and (2) that the company claiming the adjustment demonstrate that there were sufficient imports of imported raw materials to account for the duty drawback received on the exports of the manufactured product. *See Preliminary Results of the 11th Review of CORE from Korea*, 70 FR at 53156.

HYSCO's Sales of Subject Merchandise that were Further Manufactured and Sold as Non–Subject Merchandise in the United States

In its Section A questionnaire response and on November 9, 2005, HYSCO requested that the Department exclude certain sales of subject merchandise that were further manufactured by its wholly–owned U.S. subsidiary, HYSCO America Company (''HAC''), and sold as non–subject merchandise in the United States during the POR, citing ''the extreme difficulty in calculating CEP for these sales through HAC.''[7] The Department issued several supplemental questionnaires to HYSCO regarding these sales. *See* the Department's supplemental questionnaires, dated November 23, 2005, January 4, January 24, and April 10, 2006.

In considering the appropriate treatment for these sales, we considered the different transactions involved. In the first transaction, HYSCO sold subject merchandise to an unrelated trading company in the United States; in the second transaction, the unrelated U.S. trading company resold the subject merchandise to HAC, HYSCO's wholly owned U.S. subsidiary; finally, HAC further processed the subject merchandise into non–subject merchandise which it then sold in the United States. With respect to the last transaction, we granted HYSCO's request to not report its further manufactured sales and further manufacturing costs of HAC because such transactions represent a comparatively small portion of its total sales and the value added before the sale to the first unaffiliated buyer substantially exceeded the value of the subject merchandise. Instead, we have included the first transaction in our calculations. It is a sale of subject merchandise by HYSCO to an unaffiliated purchaser in the United States, in accordance with section 772 of the Act. In addition, although the subject merchandise is subsequently resold to HYSCO's wholly–owned subsidiary, we preliminarily find HYSCO's initial sale of subject merchandise to the unrelated U.S. trading company was not unrepresentative or distortive. *See FAG U.K. Ltd. v. United States*, 945 F. Supp. 260, 265 (CIT 1996).

Normal Value

Based on a comparison of the aggregate quantity of home market and U.S. sales, we determined that the quantity of the foreign like product sold in the exporting country 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. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade.

Where appropriate, we deducted rebates, discounts, inland freight (offset, where applicable, by freight revenue), inland insurance, and packing. Additionally, we made adjustments to NV, where appropriate, for credit expenses, warranty expenses, post–sale warehousing, and differences in weight basis. We also made adjustments, where appropriate, for home market indirect selling expenses and inventory carrying costs to offset U.S. commissions.

We also increased NV by U.S. packing costs in accordance with section 773(a)(6)(A) of the Act. We made adjustments to NV for differences in cost attributable to differences in physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act.

For purposes of calculating the NV, section 771(16) of the Act defines ''foreign like product'' as merchandise which is either (1) identical or (2) similar to the merchandise sold in the United States. When there are no identical products sold in the home market, the products which are most similar to the product sold in the United States are identified. For the non–identical or most similar products which are identified based on the Department's product matching criteria, an adjustment is made to the home market sales price to account for the actual physical differences between the products sold in the United States and the home market or third country market. *See* 19 CFR 351.411 and section 773(a)(6)(C)(ii) of the Act.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, we determined NV based on sales in the comparison market at the same level of trade (LOT) as the CEP sales, to the extent practicable. When there were no sales at the same LOT, we compared U.S. sales to comparison market sales at a different LOT.

Pursuant to 19 CFR 351.412, to determine whether CEP sales and NV sales were at different LOTs, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated (or arm's–length) customers. If the comparison market sales are at a different LOT and the differences affect price comparability, as manifested in a pattern of consistent price differences between sales at different LOTs in the country in which NV is determined, we will make an LOT adjustment under section 773(a)(7)(A) of the Act. For CEP sales, if the NV LOT is at a more advanced stage of distribution than the CEP LOT and the data available do not provide an appropriate basis to determine an LOT adjustment, we will grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut–to-Length Carbon Steel Plate from South Africa*, 62 FR 61731, 61732–33 (November 19, 1997).

We did not make an LOT adjustment under 19 CFR 351.412(e) because, as there was only one home market LOT for each respondent, we were unable to identify a pattern of consistent price differences attributable to differences in LOTs (*see* 19 CFR 351.412(d)). Under 19 CFR 351.412(f), we are preliminarily granting a CEP offset for Dongbu, HYSCO, the POSCO group, and Union

[6] *See Notice of the Final Results of Antidumping Administrative Reviews: Cold-Rolled (CR) and Corrosion-Resistant (CORE) Carbon Steel Flat Products from Korea*, 67 FR 11976 (March 11, 2002) and accompanying Issues and Decision Memorandum at Comment 1, on file in the CRU.

[7] *See* HYSCO's December 5, 2005, Section A questionnaire response at 3.

because the NV for these companies are at a more advanced LOT than their U.S. CEP sales.

For a detailed description of our LOT methodology and a summary of company–specific LOT findings for these preliminary results, *see* the August 31, 2006, *Calculation Memorandum for Dongbu Steel Co., Ltd.*; *Calculation Memorandum for Hyundai HYSCO*; *Calculation Memorandum for Pohang Iron & Steel Company, Ltd. (POSCO) and Pohang Coated Steel Co., Ltd. (POCOS) – (collectively, the POSCO Group)*; and *Calculation Memorandum for Union Steel Manufacturing Co., Ltd.*, of which the public versions are on file in the CRU.

Cost of Production

A. Calculation of COP

We are investigating COP for Dongbu, HYSCO, the POSCO group, and Union because during the most recently completed segments of the proceeding in which Dongbu, HYSCO, the POSCO Group, and Union participated, the Department found and disregarded sales that failed the cost test. We calculated a company–specific COP for Dongbu, HYSCO, the POSCO Group, and Union based on the sum of each respondent's cost of materials and fabrication for the foreign like product, plus amounts for home–market selling expenses, selling, general and administrative expenses (SG&A), and packing costs in accordance with section 773(b)(3) of the Act. We relied on Dongbu's, the POSCO Group's, Union's and HYSCO's information as submitted.

B. Major Input Rule

1. *Major Input Rule: HYSCO*

Pursuant to section 773(f)(3) of the Act and 19 CFR 351.407(b), the Department may value major inputs purchased from affiliated suppliers at the higher of the transfer price, the market price, or the affiliate's COP. HYSCO reported purchases of raw material input accounting for a significant portion of its total material cost from an affiliated supplier. We requested that HYSCO supply its affiliate supplier's COP information for the major material input. In HYSCO's letter dated July 19, 2006, HYSCO indicated that, despite its repeated requests, its affiliated supplier has refused to provide the COP information. Where an interested party or any other person withholds necessary information that has been requested, the application of facts available is appropriate in reaching a determination, in accordance with section 776(a) of the Act. Under section 776(b) of the Act, we may use an inference adverse to the interests of an interested party that has failed to cooperate by not acting to the best of its ability to comply with a request for information. In determining whether a respondent has acted to the best of its ability in seeking the COP information from its affiliate, the Department usually examines the nature of the affiliation, in addition to other facts. *See Certain Cut–to-Length Carbon Steel Plate from Brazil: Final Results of Antidumping Duty Administrative Review*, 63 FR 12744, 12751 (March 16, 1998) (*Plate from Brazil*). Given the nature of the affiliation, we determine that HYSCO made reasonable attempts to obtain the requested COP information from its affiliate. *See* the August 31, 2006 *Calculation Memorandum for Hyundai HYSCO*, where the Department discusses HYSCO's specific attempts to obtain this cost data. Therefore, we are not applying an adverse inference in selecting from the facts available.

In prior cases, we have turned to other COP information on the record, if available, as non–adverse ''gap–filling'' facts available. However, the record contains no other information about the affiliated supplier's COP. In prior cases, when there is no such COP data on the record and no indication that the affiliated supplier's COP is higher than the transfer or market price, we have used the higher of the transfer price or the market price as facts available. *See Plate from Brazil* at 12751; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Polyester Staple Fiber from the Republic of Korea*, 65 FR 16880 (March 30, 2000), and accompanying *Issues and Decision Memorandum* at Comment 6. As facts available for the major input, we are using the market prices that HYSCO reported for its purchases of the major input from unaffiliated suppliers. *See* the August 31, 2006, *Calculation Memorandum for Hyundai HYSCO*, on file in the CRU.

2. *Major Input Rule: Union*

The Department reviewed Union's reported cost of materials for the preliminary results of this review. We found that the transfer price that Union paid to its affiliate for a raw material input was higher than either Union's market price or its affiliated supplier's COP. Thus, Union's COP was correctly based on Union's transfer price. Therefore, we made no adjustments to the reported cost of input materials from Union's suppliers. *See* the August 8, 2006, *Calculation Memorandum for Union Manufacturing Inc.* at 4.

D. Test of Home–Market Prices

In determining whether to disregard home market sales made at prices below the COP, as required under sections 773(b)(1)(A) and (B) of the Act, we compared the weighted–average COP figures to home market sales of the foreign like product and we examined whether (1) within an extended period of time, such sales were made in substantial quantities, and (2) such sales were made at prices which permitted the recovery of all costs within a reasonable period of time. On a product–specific basis, we compared the COP to the home market prices (not including VAT), less any applicable movement charges, discounts, and rebates.

E. Results of COP Test

Pursuant to section 773(b)(1) of the Act, we may disregard below COP sales in the determination of NV if these sales have been made within an extended period of time in substantial quantities and were not at prices which permit recovery of all costs within a reasonable period of time. Where 20 percent or more of a respondent's sales of a given product during the POR were at prices less than the COP for at least six months of the POR, we determined that sales of that model were made in ''substantial quantities'' within an extended period of time, in accordance with sections 773(b)(2)(B) and (C) of the Act. Where prices of a respondent's sales of a given product were below the per–unit COP at the time of sale and below the weighted–average per–unit costs for the POR, we determined that sales were not at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. In such cases, we disregarded the below–cost sales in accordance with section 773(b)(1) of the Act.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below–cost sales of that product because we determined that the below–cost sales were not made in ''substantial quantities.''

We tested and identified below–cost home market sales for Dongbu, Union, the POSCO Group, and HYSCO. We disregarded individual below–cost sales of a given product and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act. *See* the August 31, 2006, *Calculation Memorandum for Dongbu Steel Co., Ltd.*; *Calculation Memorandum for*

Hyundai HYSCO; *Calculation Memorandum for Pohang Iron & Steel Company, Ltd. (POSCO) and Pohang Coated Steel Co., Ltd. (POCOS) – (collectively, the POSCO Group)*; and *Calculation Memorandum for Union Steel Manufacturing Co., Ltd.*

Arm's–Length Sales

The POSCO Group reported sales of the foreign like product to an affiliated reseller/service center. Dongbu and HYSCO also reported that they made sales in the home market to affiliated parties. The Department calculates NV based on a sale to an affiliated party only if it is satisfied that the price to the affiliated party is comparable to the price at which sales are made to parties not affiliated with the producer or exporter, *i.e.*, sales at arm's length. *See* 19 CFR 351.403(c).

To test whether these sales were made at arm's length, we compared the starting prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, discounts and packing. In accordance with the Department's current practice, if the prices charged to an affiliated party were, on average, between 98 and 102 percent of the prices charged to unaffiliated parties for merchandise identical or most similar to that sold to the affiliated party, we considered the sales to be at arm's–length prices. *See Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative: Ninth Administrative Review of the Antidumping Duty Order on Certain Pasta from Italy*, 71 FR 45017, 45020 (August 8, 2006); 19 CFR 351.403(c). Conversely, where we found sales to the affiliated party that did not pass the arm's–length test, all sales to that affiliated party have been excluded from the NV calculation. *See Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 69186, 69187 (November 15, 2002).

Currency Conversion

For purposes of these preliminary results, we made currency conversions in accordance with section 773A(a) of the Act, based on the official exchange rates published by the Federal Reserve Bank.

Preliminary Results of the Review

As a result of this review, we preliminarily find that the following weighted–average dumping margins exist:

Producer/Manufacturer	Weighted–Average Margin
Dongbu	1.97%
HYSCO	0.03% (*de minimis*)
The POSCO Group	0.48% (*de minimis*)
Union	1.69%

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties of this proceeding in accordance with 19 CFR 351.224(b). Interested parties may submit case and rebuttal briefs in accordance with 19 CFR 351.309. The Department will announce the due date of the case briefs at a later date. Rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument. Further, parties submitting written comments are requested to provide the Department with an additional copy of the public version of any such comments on a diskette. An interested party may request a hearing within 30 days of publication of these preliminary results. *See* 19 CFR 351.310(c). Any hearing, if requested, ordinarily will be held two days after the due date of the rebuttal briefs. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, or at a hearing, if requested, within 120 days of publication of these preliminary results.

Assessment Rate

Upon completion of this administrative review, the Department shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. Within 15 days of publication of the final results of this administrative review, if any importer–specific *ad valorem* rates calculated in the final results are above *de minimis* (*i.e.*, at or above 0.5 percent), the Department will issue appraisement instructions directly to CBP to assess antidumping duties on appropriate entries. The total customs value is based on the entered value reported for each importer for all U.S. entries of subject merchandise purchased during the POR for consumption in the United States.

The Department clarified its ''automatic assessment'' regulation on May 6, 2003. *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003). This clarification will apply to entries of subject merchandise during the POR produced by the companies included in these preliminary results for which the reviewed companies did not know their 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 or companies involved in the transaction.

Cash Deposit Requirements

To calculate the cash deposit rate for each producer and/or exporter included in this administrative review, we divided the total dumping margins for each company by the total net value for that company's sales during the review period.

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of CORE for Korea entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) The cash deposit rates for the companies listed above will be the rates established in the final results of this review, except if the rate is less than 0.5 percent and, therefore, *de minimis*, the cash deposit 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 final results in which that manufacturer or exporter participated; (3) if the exporter is not a firm covered in these reviews, a prior review, or the original less–than-fair–value investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent final results for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in these or any previous review conducted by the Department, the cash deposit rate will be 17.70 percent, the ''All Others'' rate established in the underlying investigation. *See Orders on Certain Steel from Korea*. These cash deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification to Importers

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.

This administrative review is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 31, 2006.

David M. Spooner,

Assistant Secretaryfor Import Administration.

[FR Doc. E6–15004 Filed 9–8–06; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

(A–485–803)

Certain Cut–to-Length Carbon Steel Plate from Romania: Preliminary Results of the Antidumping Duty Administrative Review and Partial Rescission

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

SUMMARY: In response to a request from domestic producer, Nucor Corporation, and a Romanian producer/exporter, Mittal Steel Galati, S.A. (''MS Galati''), the Department of Commerce (''the Department'') is conducting an administrative review of the antidumping duty order on certain cut–to-length carbon steel plate from Romania. The period of review (''POR'') is August 1, 2004, through July 31, 2005. With regard to the two Romanian companies that are subject to this administrative review, producer MS Galati and exporter Metalexportimport S.A. (''MEI''), we preliminarily determine that sales of subject merchandise produced by MS Galati have been made at less than normal value (''NV''). Since MS Galati had prior knowledge of the destination of the subject merchandise it produced, and MEI does not produce or take title to the subject merchandise, we are assigning a preliminary dumping margin to MS Galati only and rescinding the review with respect to MEI. For a full discussion of the intent to rescind with respect to MEI, *see* the ''Notice of Intent to Rescind in Part'' section of this notice below. We invite interested parties to comment on these preliminary results. Parties that submit comments are requested to submit with each argument (1) a statement of the issue(s), (2) a brief summary of the argument(s), and (3) a table of authorities.

EFFECTIVE DATE: September 11, 2006

FOR FURTHER INFORMATION CONTACT: Dena Crossland or John Drury, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–3362 or (202) 482–0195, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2005, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on certain cut–to-length carbon steel plate from Romania for the period August 1, 2004, through July 31, 2005. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 70 FR 44085 (August 1, 2005). On August 31, 2005, the Department received two timely requests for an administrative review of this order. The Department received a timely request from Nucor Corporation, a domestic producer, requesting that the Department conduct an administrative review of shipments exported to the United States from MS Galati. In addition, the Department received a timely request from MS Galati, requesting that the Department conduct an administrative review of subject merchandise produced by MS Galati and exported by MS Galati or MEI.[1]

On September 28, 2005, the Department initiated an administrative review of the antidumping duty order on certain cut–to-length carbon steel plate from Romania, for the period covering August 1, 2004, through July 31, 2005, to determine whether merchandise imported into the United States from MS Galati and MEI is being sold at less than NV. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 70 FR 56631 (September 28, 2005). On October 13, 2005, the Department issued an antidumping duty questionnaire to MS Galati.

On November 10, 2005, we received the Section A questionnaire response from MS Galati. On December 1, 2004, and January 26, 2006, respectively, MS Galati filed its Section B and C questionnaire responses, and MEI stated in a separate filing that it did not have any home market (''HM'') sales during the POR and, thus, would not be filing a Section B response. On January 23, 2006, the Department issued a supplemental questionnaire regarding MS Galati's Sections A through C questionnaire responses. On March 22, 2005, MS Galati submitted its response to the supplemental questionnaire. On April 11, 2006, the Department issued a second supplemental questionnaire with regard to Sections A through D, and received MS Galati's response on April 27, 2006.

On December 23, 2005, IPSCO submitted allegations of sales below the cost of production (''COP'') against MS Galati, and, on January 12, 2006, MS Galati submitted its rebuttal comments. Upon a thorough review of IPSCO's allegation and MS Galati's comments, the Department initiated a sales–below-cost investigation on January 23, 2006, and instructed MS Galati to respond to Section D of the antidumping questionnaire. On February 12, 2006, the Department received MS Galati's Section D Response. On March 15, 2006, the Department issued a supplemental questionnaire regarding MS Galati's Section D questionnaire response. On April 6, 2006, we received MS Galati's supplemental questionnaire response.

On April 19, 2006, due to the complexity of the case and pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (''the Act''), the Department postponed the preliminary results in this administrative review until no later than August 31, 2006. *See Certain Cut–to-Length Carbon Steel Plate from Romania: Notice of Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 71 FR 20076 (April 19, 2006).

Notice of Intent To Rescind Review in Part

Pursuant to section 351.213(d)(3) of the Department's regulations, the Department may rescind an administrative review, in whole or only with respect to a particular exporter or producer, if the Secretary concludes that, during the period covered by the review, there were no entries, exports, or sales of the subject merchandise. *See, e.g., Stainless Steel Plate in Coils from Taiwan: Notice of Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review*, 67 FR 5789, 5790 (February 7, 2002), and *Stainless Steel Plate in Coils from Taiwan: Final Rescission of Antidumping Duty Administrative Review*, 66 FR 18610 (April 10, 2001). As discussed above, MEI stated in its January 26, 2006, letter that it did not have any HM sales. Regarding sales of subject merchandise to the United States, during verification, we found that a) MEI is not the producer of subject merchandise, b) MEI does not

[1] On September 29, 2005, IPSCO Steel Inc. (''IPSCO'') submitted a letter indicating its entry of appearance as a domestic interested party.