

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

Dated: July 2, 2007.

**David M. Spooner,**  
Assistant Secretary for Import  
Administration.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-201-802]

#### Preliminary Results of Antidumping Duty Changed-Circumstances Review: Gray Portland Cement and Clinker From Mexico

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

**SUMMARY:** In response to a request from an interested party and pursuant to Section II. B.6 of the Agreement between the Office of the United States Trade Representative, the United States Department of Commerce, and Secretaria de Economia on Trade in Mexican Cement (the Agreement) dated March 6, 2006, the Department of Commerce is conducting a changed-circumstances review of the antidumping duty order on gray portland cement and clinker from Mexico. The changed-circumstances review covers exports of subject merchandise to the United States during the period October 1, 2006, through December 31, 2006, from one firm, Holcim Apasco, S.A. de C.V. We have preliminarily determined that sales were made below normal value during the changed-circumstances period of review.

We invite interested parties to comment on these preliminary results. Parties who submit arguments in this proceeding are requested to submit with the argument (1) a statement of the issues, and (2) a brief summary of the argument.

**EFFECTIVE DATE:** July 11, 2007.

**FOR FURTHER INFORMATION CONTACT:**  
Hermes Pinilla or Minoo Hatten, AD/  
CVD Operations, Office 5, Import  
Administration, International Trade  
Administration, U.S. Department of  
Commerce, 14th Street and Constitution  
Avenue, NW., Washington, DC 20230;  
telephone (202) 482-3477 and (202)  
482-1690, respectively.

**SUPPLEMENTARY INFORMATION:**

### Background

On January 4, 2007, the Department of Commerce (the Department) initiated a changed-circumstances review of the antidumping duty order on gray portland cement and clinker (cement) from Mexico. See *Gray Portland Cement and Clinker From Mexico: Initiation of an Antidumping Duty Changed-Circumstances Review*, 72 FR 328 (January 4, 2007). According to the Agreement, upon request, the Department shall conduct an expedited changed-circumstances review to establish a new estimated duty deposit rate for any Mexican Cement exporter (and its affiliated parties) that meet the following criteria: (a) Had an estimated duty deposit rate under the order on cement; (b) did not receive the new estimated duty deposit rate of three U.S. dollars (\$3.00) per metric ton referenced in Section II.A.4.b of the Agreement; and (c) exported Mexican cement to the United States in the year preceding the effective date or exports Mexican cement to the United States while the Agreement remains in force.

On December 14, 2006, pursuant to section II.B.6 of the Agreement, Holcim Apasco, S.A. de C.V. (Apasco), requested that the Department conduct a changed-circumstances review of certain export sales of the subject merchandise to the United States made by Apasco during the period October through December 2006.

### Scope of the Order

The products subject to the order include gray portland cement and clinker. Gray portland cement is a hydraulic cement and the primary component of concrete. Clinker, an intermediate material product produced when manufacturing cement, has no use other than of being ground into finished cement. Gray portland cement is currently classifiable under *Harmonized Tariff Schedule of the United States* (HTSUS) item number 2523.29, and cement clinker is currently classifiable under HTSUS item number 2523.10. Gray portland cement has also been entered under HTSUS item number 2523.90 as "other hydraulic cements." Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

### Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended, (the Act), we will verify certain information submitted by Apasco using standard verification procedures, including an examination of relevant sales and

financial records and the selection of original documentation containing relevant information. Upon completion of verification, we will place on the record a copy of our verification report in the Central Records Unit (CRU), Room B-099 of the main Department building. Verification is currently scheduled to begin July 23, 2007.

### Export Price

Apasco reported export-price (EP) sales. We calculated EP based on the packed, delivered price to unaffiliated purchasers in, or for exportation to, the United States. We made deductions, as appropriate, for discounts and rebates. We also made deductions for any movement expenses in accordance with section 772(c)(2)(A) of the Act.

### Normal Value

#### A. Comparisons

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating normal value, we compared the respondent's 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 the respondent'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 of the subject merchandise, we determined that the home market was viable. Therefore, we have based normal value on home-market sales.

During the period October through December 2006, the respondent sold Type II LA cement in the United States. The statute expresses a preference for matching U.S. sales to identical merchandise in the home market. See section 771(16) of the Act. The respondent sold cement produced as Type II, Type II/III/V, and Type III cement in the home market. We have attempted to match the subject merchandise to identical merchandise sold in the home market. In situations where identical product types cannot be matched, we have attempted to match the subject merchandise to sales of similar merchandise in the home market. See sections 773(a)(1)(B) and 771(16) of the Act.

We were able to find home-market sales of identical and similar merchandise to which we could match sales of Type II LA cement sold in the U.S. market.

We have reviewed the information on the record and have determined that Type II cement produced and sold in the home market is the identical match

to Type II LA cement sold in the United States during this review period. If we could not find an identical match to the cement types sold in the United States in the same month in which the U.S. sale was made or during the contemporaneous period, we based normal value on sales of similar merchandise.

Further, in accordance with section 771(16)(B) of the Act, we find that both bulk and bagged cement are produced in the same country and by the same producer as the types sold in the United States, both bulk and bagged cement are like the types sold in the United States in component materials and in the purposes for which used, and both bulk and bagged cement are approximately equal in commercial value to the types sold in the United States. The questionnaire responses submitted by the respondent indicate that, with the exception of packaging, sales of cement in bulk and sales of cement in bags are physically identical and both are used in the production of concrete. Also, because there is no difference in the cost of production between cement sold in bulk or in bagged form, both are approximately equal in commercial value. See Apasco's responses to the Department's original and supplemental questionnaires dated January 4, 2007, April 4, 2007, and May 30, 2007. Therefore, we find that matching the U.S. merchandise which is sold in both bulk and bag to the foreign like product sold in either bulk or bag is appropriate.

#### *B. Arm's-Length Sales*

To test whether home-market sales to affiliated customers were made at arm's length, we compared the prices of sales to affiliated and unaffiliated customers, net of all movement charges, direct selling expenses, discounts, and packing. 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 to the unaffiliated parties, we determined that the sales made to the affiliated party were at arm's length. See *Modification Concerning Affiliated Party Sales in the Comparison Market*, 67 FR 69186 (November 15, 2002). Consistent with 19 CFR 351.403, we only included in our margin analysis those sales to affiliated parties that were made at arm's length.

#### *C. Cost of Production*

The petitioner, the Southern Tier Cement Committee (STCC), alleged on March 26, 2007, that the respondent sold cement in the home market at prices below the cost of production (COP). After examining the allegation,

we determined that the petitioner had provided a reasonable basis to believe or suspect that Apasco sold cement in Mexico at prices below the COP. Therefore, pursuant to section 773(b)(1) of the Act, we initiated a COP investigation to determine whether Apasco made home-market sales of cement during the review period at below-cost prices. See the memorandum from Minoo Hatten to Laurie Parkhill entitled "Gray Portland Cement and Clinker from Mexico: Request to Initiate Cost Investigation in the Changed-Circumstances Review," dated April 18, 2007.

In accordance with section 773(b)(3) of the Act, we calculated the COP based on the sum of the costs of materials and fabrication employed in producing cement plus amounts for home-market selling, general, and administrative (SG&A) expenses. We used the home-market sales data and COP information provided by Apasco in its questionnaire responses.

After calculating the weighted-average COP and in accordance with section 773(b)(3) of the Act, we tested whether Apasco's home-market sales were made at prices below the COP within an extended period of time in substantial quantities and whether such prices permitted recovery of all costs within a reasonable period of time. We compared the COP appropriate to the home-market prices less any applicable direct selling expenses, movement charges, discounts and rebates, and indirect selling expenses.

Pursuant to section 773(b)(2)(C) of the Act, if less than 20 percent of a respondent's sales of a product were at prices less than the COP, we do not disregard any below-cost sales of that product because the below-cost sales were not made in substantial quantities within an extended period of time. If 20 percent or more of a respondent's sales of a product during the period were at prices less than the COP, such below-cost sales were made in substantial quantities within an extended period of time pursuant to sections 773(b)(2)(B) and (C) of the Act.

Based on comparisons of home-market prices to the appropriate weighted-average COP for the changed-circumstances review, we determined that below-cost sales were not made in substantial quantities within an extended period of time, and, therefore, we did not disregard any below-cost sales.

#### *D. Adjustments to Normal Value*

Where appropriate, we adjusted home-market prices for discounts, rebates, packing, and freight surcharge

to the invoice price. In addition, we adjusted the starting price for inland freight, inland insurance, and warehousing expenses. We also made circumstance-of-sale adjustments by deducting comparison-market direct selling expenses from normal value and adding U.S. direct selling expenses to normal value.

Section 773(a)(6)(C)(ii) of the Act directs us to make an adjustment to normal value to account for differences in the physical characteristics of merchandise where similar products are compared. The regulations at 19 CFR 351.411(b) direct us to consider differences in variable costs associated with the physical differences in the merchandise. Where we matched U.S. sales of subject merchandise to similar models in the home market, we adjusted for differences in merchandise.

#### *E. Level of Trade*

We determined that all comparison-market sales by Apasco were made at the same level of trade as the EP customer. To determine whether comparison-market sales are at a different level of trade than U.S. sales, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. Apasco did not report any significant differences in selling functions between different channels of distribution or customer type in either the comparison or U.S. markets. Therefore, we determined that all comparison-market and EP sales were made at the same level of trade.

#### **Currency Conversion**

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

#### **Preliminary Results of Review**

As a result of our changed-circumstances review, we preliminarily determine the dumping margin for Apasco for the period October 1, 2006, through December 31, 2006, to be 29.77 percent.

Case briefs or other written comments in at least six copies must be submitted to the Assistant Secretary for Import Administration no later than one week after the issuance of the Department's verification report in this changed-circumstances review. Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs are due no later than five days after the submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should

accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. In accordance with 19 CFR 351.310, we will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If we receive a request for a hearing, we plan to hold the hearing three days after the deadline for submission of the rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. 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, U.S. Department of Commerce, Room 1870, no later than 21 days after the date of publication of the preliminary results of this changed-circumstances review in the **Federal Register**. Requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

In accordance with 19 CFR 351.221(b)(5) the Department will issue the final results of this changed-circumstances review, including the results of its analysis of issues raised in any case or rebuttal briefs, by October 25, 2007.

#### Assessment Rates

Upon completion of this review, the Department will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(1), we have calculated an importer-specific assessment rate for merchandise subject to this review. Because Apasco reported the entered value for its EP sales, we divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for importer of record. If these preliminary results are adopted in the final results of review, we will direct CBP to assess the resulting assessment rates against the entered customs values for the subject merchandise on the importer's entries during the changed-circumstances review period. We will issue instructions to CBP 41 days after publication of the final results of this changed-circumstances review.

#### Cash-Deposit Requirements

As provided by section 751(a)(1) of the Act, the cash-deposit rate for all

shipments from Apasco of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of changed-circumstances review will be the rate established in the final results of changed-circumstances review. The deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Interested Parties

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 changed-circumstances review. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing this notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act.

Dated: July 2, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-863]

#### Honey from the People's Republic of China: Final Results and Rescission, In Part, of Antidumping Duty New Shipper Reviews

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

**SUMMARY:** On January 3, 2007, the U.S. Department of Commerce (the Department) published its preliminary results of the new shipper reviews of the antidumping order on honey from the People's Republic of China (PRC). See *Honey from the People's Republic of China: Intent to Rescind and Preliminary Results of Antidumping Duty New Shipper Reviews*, 72 FR 111 (January 3, 2007) (*Preliminary Results*). These reviews cover three producers/exporters, Inner Mongolia Altin Bee-Keeping Co., Ltd. (IMA), Qinhuangdao Municipal Dafeng Industrial Co., Ltd. (QMD), and Dongtai Peak Honey Industry Co., Ltd. (Dongtai Peak) (collectively, respondents). The period of review (POR) is December 1, 2004, through November 30, 2005. We invited

interested parties to comment on our *Preliminary Results*. Based on our analysis of the comments received, we have made changes to our calculations. The final dumping margins for these reviews are listed in the "Final Results of Review" section below.

**EFFECTIVE DATE:** July 11, 2007.

#### FOR FURTHER INFORMATION CONTACT:

Patrick Edwards or Judy Lao, 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) 482-8029 or (202) 482-7924, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On January 3, 2007, the Department published the preliminary results of these reviews in the **Federal Register**. See *Preliminary Results*. We invited parties to comment on the *Preliminary Results*. On January 9, 2007, in response to a request from respondents, we extended the time limit for submitting further information to value the factors of production until February 6, 2007, and comments on these submission until February 16, 2007. The Department simultaneously extended the time limit for parties to submit case and rebuttal briefs to the Department's *Preliminary Results* until February 23, 2007, and March 2, 2007, respectively. On February 5, 2007, the Department denied an additional request by respondents for a further ten-day extension of the time limit for submitting information to value the factors of production due to time constraints and the Department's statutory timing requirements in this case. Also on February 5, 2007, the Department notified parties of its adoption of a new 2004 wage rate and invited comments on the issue in the context of parties' case briefs. On February 6, 2007, we received a surrogate value submission commenting on the Department's *Preliminary Results* from respondents.

We received case briefs from the American Honey Producers Association and the Sioux Honey Association (collectively, petitioners) and respondents on February 23, 2007, respectively.<sup>1</sup> On March 2, 2007, we received rebuttal briefs from petitioners and respondent Dongtai Peak,

<sup>1</sup> On February 22, 2007, we received a courtesy copy case brief from respondents which we subsequently rejected as containing new information. On February 23, 2007, respondents refiled their brief, per the Department's instructions, without the new information.