This expansion is needed in order to fully participate with the other partner agencies and meet the data collection requirements of the CRC. USAID proposes to add the following categories of records: Citizenship, military service information, social security number, medical clearance information and security clearance information. This information is required by the CRC to help determine which individuals are appropriate for each mission, assist in coordinating visas, registering individuals on military flights, ensuring individuals are properly cleared for deployment and determining if an individual has the appropriate clearances to attend briefings.

Philip M. Heneghan,

Chief Privacy Officer.

USAID–029

Revise the categories of records covered by the system to read as follows:

* * * * *

CATEGORIES OF RECORDS IN THE SYSTEM:

This system will contain information relevant to the planning, administration, training, and management of CRC personnel. Categories of records include: Full name, date of birth, height/weight, hair/eye color, blood type, marital status, religion, citizenship, home address, home phone number, mobile phone number, personal e-mail address, emergency contact, next of kin, passport information, driver license information, military record, citizenship, social security number, medical clearance information and security clearance information.

* * * * *

[FR Doc. E9–18942 Filed 8–6–09; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–845]

Stainless Steel Sheet and Strip in Coils From Japan: Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: In response to timely requests by two manufacturers/exporters, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain stainless steel sheet and strip in coils (SSSSC) from Japan with respect to Hitachi Cable Ltd. (Hitachi Cable) and Nippon Kinzoku Co., Ltd. (NKKN). The review covers the period July 1, 2007, through June 30, 2008.

We preliminarily determine that NKKN and Hitachi Cable did not make sales below normal value (NV).

If the preliminary results are adopted in our final results of the administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries. Interested parties are invited to comment on the preliminary results.

DATES: *Effective Date:* August 7, 2009.

FOR FURTHER INFORMATION CONTACT: Kate Johnson or Rebecca Trainor, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482–4929 and (202) 482–4007, respectively.

SUPPLEMENTARY INFORMATION:

Background

In response to timely requests by two manufacturers/exporters, on August 26, 2008, the Department published in the **Federal Register** a notice of initiation of an administrative review of the antidumping duty order on certain SSSSC from Japan with respect to Hitachi Cable and NKKN covering the period July 1, 2007, through June 30, 2008. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 73 FR 50308 (August 26, 2008).

On September 4, 2008, we issued the antidumping duty questionnaire to Hitachi Cable and NKKN. We received responses to sections A, B, and C of the questionnaire from Hitachi Cable and NKKN in October and November 2008.

On November 12, and 25, 2008, the petitioners in the above-referenced administrative review (*i.e.,* AK Steel Corporation and Allegheny Technologies, Inc.) (collectively, the petitioners) filed timely sales-below-cost-allegations against Hitachi Cable and NKKN, respectively. *See* 19 CFR 351.301(d)(2)(ii). Accordingly, on December 18, 2008, the Department initiated sales-below-cost investigations on both Hitachi Cable and NKKN and, as a result, required Hitachi Cable and NKKN to submit responses to section D of the Department's antidumping duty questionnaire.[1] We received responses to section D of the questionnaire in January 2009.

During the period December 2008 through July 2009, we issued to Hitachi Cable and NKKN supplemental questionnaires with respect to sections A, B, C, and D of the original questionnaire. We received responses to these questionnaires during the period December 2008 through July 2009.

On March 9, 2009, pursuant to section 751(a)(3) of the Tariff Act of 1930, as amended (the Act), the Department postponed the preliminary results of this review until July 31, 2009. *See Stainless Steel Sheet and Strip in Coils from Japan and Taiwan: Notice of Extension of Time Limit for Preliminary Results of the 2007–2008 Administrative Reviews,* 74 FR 10885 (March 13, 2009).

Pursuant to section 782(i) of the Act, the Department conducted verifications of the questionnaire responses submitted by Hitachi Cable, NKKN, and one of NKKN's affiliated resellers, Nikkin Steel Co., Ltd. in May and June 2009.[2] *See* Memoranda to The File, ''Verification of the Sales Responses of Nippon Kinzoku Co, Ltd. (NKKN) in the Antidumping Duty Administrative Review of Stainless Steel Sheet and Strip in Coils from Japan,'' (July 31, 2009) (''NKKN Sales Verification Report''); ''Verification of the Sales Response of Nikkin Steel Co., Ltd. (Nikkin Steel) in the Antidumping Duty Administrative Review of Stainless Steel Sheet and Strip in Coils (SSSSC) from Japan,'' (July 13, 2009); ''Verification of the Sales Responses of Hitachi Cable Limited (HCL) and Hitachi Cable America (HCA) (collectively Hitachi Cable) in the Antidumping Duty Administrative Review of Stainless Steel Sheet and Strip in Coils from Japan,'' (July 20, 2009) (''Hitachi Cable Sales Verification Report''); and ''Verification of the Cost Response of Nippon Kinzoku Co., Ltd. in the Antidumping Duty Administrative Review of Certain Stainless Steel Sheet and Strip in Coils from Japan,'' (June 3, 2009). The verification reports are on file and available in the Central Records Unit (CRU), Room 1117 of the Department's main building.

[1] *See* Memorandum to James Maeder, Director Office 2, ''The Petitioners' Allegation of Sales Below the Cost of Production for Hitachi Cable Limited and Hitachi Cable America,'' (December 18, 2008) (Hitachi Cable Cost Initiation Memo); and Memorandum to James Maeder, Director Office 2, ''The Petitioners' Allegation of Sales Below the Cost of Production for Nippon Kinzoku Co., Ltd. and its Affiliates S–Metal, Goka, Marubeni-Itochu Steel America Inc., and Marubeni-Itochu Specialty Steel Corp.,'' (December 18, 2008) (NKKN Cost Initiation Memo).

[2] The verification of Hitachi Cable's cost response will be conducted after the preliminary results.

Scope of the Order

For purposes of this order, the products covered are certain SSSSC. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product in coils that is greater than 9.5 mm in width and less than 4.75 mm in thickness, and that is annealed or otherwise heat treated and pickled or otherwise descaled. The subject sheet and strip may also be further processed (*e.g.,* cold-rolled, polished, aluminized, coated, *etc.*) provided that it maintains the specific dimensions of sheet and strip following such processing.

The merchandise subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) at subheadings: 7219.13.00.31, 7219.13.00.51, 7219.13.00.71, 7219.13.00.81, 7219.14.00.30, 7219.14.00.65, 7219.14.00.90, 7219.32.00.05, 7219.32.00.20, 7219.32.00.25, 7219.32.00.35, 7219.32.00.36, 7219.32.00.38, 7219.32.00.42, 7219.32.00.44, 7219.33.00.05, 7219.33.00.20, 7219.33.00.25, 7219.33.00.35, 7219.33.00.36, 7219.33.00.38, 7219.33.00.42, 7219.33.00.44, 7219.34.00.05, 7219.34.00.20, 7219.34.00.25, 7219.34.00.30, 7219.34.00.35, 7219.35.00.05, 7219.35.00.15, 7219.35.00.30, 7219.35.00.35, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.12.10.00, 7220.12.50.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.20.70.05, 7220.20.70.10, 7220.20.70.15, 7220.20.70.60, 7220.20.70.80, 7220.20.80.00, 7220.20.90.30, 7220.20.90.60, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise under review is dispositive.

Excluded from the scope of this order are the following: (1) Sheet and strip that is not annealed or otherwise heat treated and pickled or otherwise descaled, (2) sheet and strip that is cut to length, (3) plate (*i.e.,* flat-rolled stainless steel products of a thickness of 4.75 mm or more), (4) flat wire (*i.e.,* cold-rolled sections, with a prepared edge, rectangular in shape, of a width of not more than 9.5 mm), and (5) razor blade steel. Razor blade steel is a flat-rolled product of stainless steel, not further worked than cold-rolled (cold-reduced), in coils, of a width of not more than 23 mm and a thickness of 0.266 mm or less, containing, by weight, 12.5 to 14.5 percent chromium, and certified at the time of entry to be used in the manufacture of razor blades. See Chapter 72 of the HTS, ''Additional U.S. Note'' 1(d).

Flapper valve steel is also excluded from the scope of the order. This product is defined as stainless steel strip in coils containing, by weight, between 0.37 and 0.43 percent carbon, between 1.15 and 1.35 percent molybdenum, and between 0.20 and 0.80 percent manganese. This steel also contains, by weight, phosphorus of 0.025 percent or less, silicon of between 0.20 and 0.50 percent, and sulfur of 0.020 percent or less. The product is manufactured by means of vacuum arc remelting, with inclusion controls for sulphide of no more than 0.04 percent and for oxide of no more than 0.05 percent. Flapper valve steel has a tensile strength of between 210 and 300 ksi, yield strength of between 170 and 270 ksi, plus or minus 8 ksi, and a hardness (Hv) of between 460 and 590. Flapper valve steel is most commonly used to produce specialty flapper valves in compressors.

Also excluded is a product referred to as suspension foil, a specialty steel product used in the manufacture of suspension assemblies for computer disk drives. Suspension foil is described as 302/304 grade or 202 grade stainless steel of a thickness between 14 and 127 microns, with a thickness tolerance of plus-or-minus 2.01 microns, and surface glossiness of 200 to 700 percent Gs. Suspension foil must be supplied in coil widths of not more than 407 mm, and with a mass of 225 kg or less. Roll marks may only be visible on one side, with no scratches of measurable depth. The material must exhibit residual stresses of 2 mm maximum deflection, and flatness of 1.6 mm over 685 mm length.

Certain stainless steel foil for automotive catalytic converters is also excluded from the scope of this order. This stainless steel strip in coils is a specialty foil with a thickness of between 20 and 110 microns used to produce a metallic substrate with a honeycomb structure for use in automotive catalytic converters. The steel contains, by weight, carbon of no more than 0.030 percent, silicon of no more than 1.0 percent, manganese of no more than 1.0 percent, chromium of between 19 and 22 percent, aluminum of no less than 5.0 percent, phosphorus of no more than 0.045 percent, sulfur of no more than 0.03 percent, lanthanum of less than 0.002 or greater than 0.05 percent, and total rare earth elements of more than 0.06 percent, with the balance iron.

Permanent magnet iron-chromium-cobalt alloy stainless strip is also excluded from the scope of this order. This ductile stainless steel strip contains, by weight, 26 to 30 percent chromium, and 7 to 10 percent cobalt, with the remainder of iron, in widths 228.6 mm or less, and a thickness between 0.127 and 1.270 mm. It exhibits magnetic remanence between 9,000 and 12,000 gauss, and a coercivity of between 50 and 300 oersteds. This product is most commonly used in electronic sensors and is currently available under proprietary trade names such as ''Arnokrome III.'' [3]

Certain electrical resistance alloy steel is also excluded from the scope of this order. This product is defined as a non-magnetic stainless steel manufactured to American Society of Testing and Materials (ASTM) specification B344 and containing, by weight, 36 percent nickel, 18 percent chromium, and 46 percent iron, and is most notable for its resistance to high temperature corrosion. It has a melting point of 1390 degrees Celsius and displays a creep rupture limit of 4 kilograms per square millimeter at 1000 degrees Celsius. This steel is most commonly used in the production of heating ribbons for circuit breakers and industrial furnaces, and in rheostats for railway locomotives. The product is currently available under proprietary trade names such as ''Gilphy 36.'' [4]

Certain martensitic precipitation-hardenable stainless steel is also excluded from the scope of this order. This high-strength, ductile stainless steel product is designated under the Unified Numbering System (UNS) as S45500-grade steel, and contains, by weight, 11 to 13 percent chromium, and 7 to 10 percent nickel. Carbon, manganese, silicon and molybdenum each comprise, by weight, 0.05 percent or less, with phosphorus and sulfur each comprising, by weight, 0.03 percent or less. This steel has copper, niobium, and titanium added to achieve aging, and will exhibit yield strengths as high as 1,700 Mpa and ultimate tensile strengths as high as 1,750 Mpa after aging, with elongation percentages of 3 percent or less in 50 mm. It is generally provided in thicknesses between 0.635 and 0.787 mm, and in widths of 25.4 mm. This product is most commonly

[3] ''Arnokrome III'' is a trademark of the Arnold Engineering Company.

[4] ''Gilphy 36'' is a trademark of Imphy, S.A.

used in the manufacture of television tubes and is currently available under proprietary trade names such as ''Durphynox 17.'' [5]

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of this order. These include stainless steel strip in coils used in the production of textile cutting tools (*e.g.,* carpet knives).[6] This steel is similar to AISI grade 420 but containing, by weight, 0.5 to 0.7 percent of molybdenum. The steel also contains, by weight, carbon of between 1.0 and 1.1 percent, sulfur of 0.020 percent or less, and includes between 0.20 and 0.30 percent copper and between 0.20 and 0.50 percent cobalt. This steel is sold under proprietary names such as ''GIN4 Mo.'' The second excluded stainless steel strip in coils is similar to AISI 420–J2 and contains, by weight, carbon of between 0.62 and 0.70 percent, silicon of between 0.20 and 0.50 percent, manganese of between 0.45 and 0.80 percent, phosphorus of no more than 0.025 percent and sulfur of no more than 0.020 percent. This steel has a carbide density on average of 100 carbide particles per 100 square microns. An example of this product is ''GIN5'' steel. The third specialty steel has a chemical composition similar to AISI 420 F, with carbon of between 0.37 and 0.43 percent, molybdenum of between 1.15 and 1.35 percent, but lower manganese of between 0.20 and 0.80 percent, phosphorus of no more than 0.025 percent, silicon of between 0.20 and 0.50 percent, and sulfur of no more than 0.020 percent. This product is supplied with a hardness of more than Hv 500 guaranteed after customer processing, and is supplied as, for example, ''GIN6.'' [7]

Period of Review

The period of review (POR) is July 1, 2007, through June 30, 2008.

Bona Fides Analysis of Hitachi Cable's U.S. Sale

In comments submitted to the Department on November 12, 2008, February 2, 2009, and February 23, 2009, the petitioners alleged that Hitachi Cable's sole U.S. sale during the POR was not a *bona fide* transaction, and requested that the Department rescind the review of Hitachi Cable on this basis. Specifically, the petitioners argued that the price, quantity, payment period and delivery terms were not consistent with normal commercial considerations for the product and producer concerned. They concluded that, given the totality of the circumstances, there is no evidence to support a finding that the sale at issue was a *bona fide* commercial transaction reflective of normal commercial terms to be followed for future sales.

For the following reasons, we preliminarily determine that Hitachi Cable's sale to the United States is a *bona fide* sale. We confirmed at verification that the U.S. sale at issue consisted of a sample of subject merchandise sold for testing purposes. As explained in the sales verification report and as discussed in Hitachi Cable's questionnaire responses, Hitachi Cable produces a niche product to the exact specifications of each customer. It routinely produces test samples for both established and new customers in a similar quantity as that requested by the U.S. customer in this case. *See* Hitachi Cable Sales Verification Report, at 6–8.[8] Although the home market database contains no sales of identical merchandise to serve as a comparison to the U.S sale, it contains several sales of similar subject merchandise with prices and quantities that are comparable to those of the U.S. sale. *See* ''Hitachi Cable Ltd. Preliminary Results Margin Calculations'' (July 31, 2009) (Hitachi Calculation Memo).[9] Furthermore, we find that the delivery method Hitachi Cable employed for the U.S. sale was not inconsistent with normal industry practice for small-quantity sales, as the same delivery method was used by the other respondent in this review, NKKN (*see* Hitachi Cable Sales Verification Report, at 6; and NKKN Sales Verification Report, at 5). Finally, with respect to the payment, Hitachi Cable established payment terms in accordance with its normal sales process, and provided a reasonable explanation at verification for why the timing of the actual payment was inconsistent with the payment terms indicated on the sales documents. *See* Hitachi Cable Sales Verification Report at 14.

Therefore, based on the record information and our verification thereof, we preliminarily determine that Hitachi Cable's sale to the United States constitutes a *bona fide* commercial transaction.

Comparisons to Normal Value

To determine whether sales of SSSSC from Japan 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 ''Constructed Export Price/Export Price'' and ''Normal Value'' sections of this notice, below. We made adjustments to the reported U.S. and home market sales data based on verification findings, as described in the Hitachi Calculation Memo and Memorandum to the File, ''Nippon Kinzoku Ltd. Preliminary Results Margin Calculations'' (July 31, 2009).

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

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by NKKN and Hitachi Cable covered by the description in the ''Scope of the Order'' section, above, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. Pursuant to 19 CFR 351.414(e)(2), we compared U.S. sales of SSSSC to sales of SSSSC made in the comparison market for NKKN and Hitachi Cable within the contemporaneous window period, which extends from three months prior to the month of the U.S. sales until two months after the U.S. sales. Where there were no sales of identical merchandise in the comparison market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales of SSSSC to sales of SSSSC of the most similar foreign like product made in the ordinary course of trade.

In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondents in the following order: Grade of stainless steel, whether hot- or cold-rolled, gauge, surface finish, metallic coating, non-metallic coating, width, temper, and edge trim.

Constructed Export Price/Export Price

For certain U.S. sales made by NKKN we used EP methodology, in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to

[5] ''Durphynox 17'' is a trademark of Imphy, S.A.

[6] This list of uses is illustrative and provided for descriptive purposes only.

[7] ''GIN4 Mo,'' ''GIN5'' and ''GIN6'' are the proprietary grades of Hitachi Metals America, Ltd.

[8] We note that NKKN, the other respondent in this review, also produced test samples for customers in the normal course of business. *See* NKKN Sales Verification Report, at 5.

[9] At verification we observed that one of the reported home market sales selected for individual review also consisted of a test sample. *See* Hitachi Cable Sales Verification Report, at 6.

importation and CEP methodology was not otherwise warranted based on the facts of record.

For Hitachi Cable's U.S. sale and certain of NKKN's U.S. sales, we calculated CEP in accordance with section 772(b) of the Act because the subject merchandise was sold for the account of NKKN and Hitachi Cable by their respective subsidiaries in the United States to unaffiliated purchasers.

A. Hitachi Cable

In accordance with section 772(b) of the Act, we calculated CEP, as the subject merchandise was 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, or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter.

We made deductions from the starting price for international freight expenses, in accordance with section 772(c)(2)(A) of the Act.

In accordance with section 772(d)(1) of the Act and 19 CFR 351.402(b), we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (*e.g.,* imputed credit expenses), and indirect selling expenses (including inventory carrying costs and other indirect selling expenses).

Pursuant to section 772(d)(3) of the Act, we further reduced the starting price by an amount for profit to arrive at CEP. In accordance with section 772(f) of the Act, we calculated the CEP profit rate using the expenses incurred by Hitachi Cable and its U.S. affiliate on its sales of the subject merchandise in the United States and the profit associated with those sales.

B. NKKN

In accordance with section 772(a) of the Act, we calculated EP for those sales where the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation by the exporter or producer outside the United States. We based EP on prices to the first unaffiliated purchaser in the United States. We made deductions from the starting price, where appropriate, for foreign inland freight expenses, foreign inland insurance expenses, and foreign brokerage and handling expenses, in accordance with section 772(c)(2)(A) of the Act.

In accordance with section 772(b) of the Act, we calculated CEP for those sales where the merchandise was 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, or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter.

We made deductions from the starting price for movement expenses, in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight and insurance expenses, foreign brokerage and handling expenses, marine insurance expenses, international freight expenses, U.S. brokerage and handling expenses, and U.S. warehousing expenses.

In accordance with section 772(d)(1) of the Act and 19 CFR 351.402(b), we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (*e.g.,* imputed credit expenses and warranty expenses), and indirect selling expenses (including inventory carrying costs and other indirect selling expenses).

Pursuant to section 772(d)(3) of the Act, we further reduced the starting price by an amount for profit to arrive at CEP. In accordance with section 772(f) of the Act, we calculated the CEP profit rate using the expenses incurred by NKKN and its U.S. affiliate on its sales of the subject merchandise in the United States and the profit associated with those sales.

Normal Value

A. Home Market Viability and Selection of Comparison Markets

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared the volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Based on this comparison, we determined that both NKKN and Hitachi Cable had viable home markets during the POR. Consequently, we based NV on home market sales for NKKN and Hitachi Cable.

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

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

C. Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade (LOT) as the EP or CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). *See* 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *See id.; see also Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa,* 62 FR 61731, 61732 (November 19, 1997) (*Plate from South Africa*). In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.,* the chain of distribution), including selling functions, class of customer (customer category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying LOTs for EP and comparison market sales (*i.e.,* NV based on either home market or third country prices),[10] we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. *See Micron Technology, Inc.* v. *United States,* 243 F. 3d 1301, 1314 (Fed. Cir. 2001). When

[10] Where NV is based on CV, we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, general and administrative (G&A) expenses, and profit for CV, where possible.

the Department is unable to match U.S. sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sales to sales at a different LOT in the comparison market. In comparing EP or CEP sales at a different LOT in the comparison market, where available data make it practicable, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if the NV LOT is at a more advanced stage of distribution than the LOT of the CEP and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability (*i.e.,* no LOT adjustment was practicable), the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. *See Plate from South Africa,* at 61732–33.

In this administrative review, we obtained information from each respondent regarding the marketing stages involved in making the reported foreign market and U.S. sales, including a description of the selling activities performed by each respondent for each channel of distribution. Company-specific LOT findings are summarized below.

1. Hitachi Cable

Hitachi Cable made one CEP sale through the U.S. affiliate, HCA, to an end-user in the United States on a delivered basis. We examined the selling functions performed by Hitachi Cable for the sale, but not those performed by HCA, consistent with our normal practice for CEP sales. *See Plate from South Africa,* at 61731, 61732. Hitachi Cable performed the following selling functions for the U.S. sale: invoicing, customer visits, finished goods storage, freight arrangements, and payment collection. As there was only one channel of distribution for the CEP sale made during the POR, we find that there is one LOT in the U.S. market.

In the Japanese market, Hitachi Cable made sales to end-users on a delivered basis. We found that Hitachi Cable performed the following selling functions for home market sales: invoicing, customer visits, finished goods storage, freight arrangements, and payment collection. As there was only one channel of distribution for home market sales, we find that there was one LOT in the home market. As the selling functions performed for U.S. and home market customers are identical, we preliminarily determine that the U.S. and home market sales were made at the same LOT during the POR. Consequently, we matched the CEP sale to comparison-market sales at the same LOT, and no LOT adjustment is warranted.

2. NKKN

NKKN reported that it made EP and CEP sales to end-users in the United States through two channels of distribution. For EP sales, NKKN made sales to end-users on an FOB basis through an unaffiliated Japanese reseller with knowledge that the subject merchandise was destined for the United States (channel 2). For CEP sales, NKKN made sales to end-users through affiliated trading companies in Japan and the United States, on either an ex-warehouse or a delivered basis (channel 1).

We compared the selling activities performed for the two sales channels in the United States to determine whether they were indicative of different LOTs. For EP sales, NKKN performed the following selling functions: sales and marketing (*e.g.,* invoicing and joint customer visits), freight and delivery services, and warranty claim processing. For CEP sales, NKKN and/or its affiliated Japanese trading company performed the following selling functions: sales and marketing (*e.g.,* invoicing and joint customer visits), and freight and delivery services. Thus, with the exception of warranty claim processing, NKKN performed the same selling activities for sales made through both channels of distribution in the United States. With respect to warranty claim processing, which NKKN performed for EP sales, but not CEP sales, we find that this selling function alone does not constitute a substantial difference in selling functions and, therefore, is not sufficient to establish a different LOT. As explained in the Department's regulations at 19 CFR 351.412(c)(2), ''{s}ubstantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stage of marketing.'' Therefore, we determine that one LOT exists in the U.S. market.

In the Japanese market, NKKN and its affiliated resellers made sales to unaffiliated trading companies and end-users through two channels of distribution (*i.e.,* direct from NKKN to trading companies, or out of inventory). For direct sales, NKKN and/or its affiliated resellers performed the following selling functions: sales and marketing (*e.g.,* invoicing and customer visits), freight and delivery services, print advertising, and warranty claim processing. For sales made out of inventory, NKKN's affiliated resellers performed warehousing/inventory maintenance in addition to the selling functions listed above for direct sales. We do not find that the performance of warehousing/inventory maintenance alone is sufficient to distinguish sales made out of inventory as a separate LOT. *See* 19 CFR 351.412(c)(2). Therefore, we determine that there is one LOT in the home market.

Finally, we compared the U.S. LOT to the home-market LOT, and found that the selling functions performed for customers in both markets were virtually identical. Specifically, NKKN and/or its affiliates in Japan provided sales and marketing, freight and delivery services, and warranty claim processing at equal levels of intensity to both markets. The exception was print advertising, which NKKN performed at a low level of intensity in the home market only. As the performance of this selling function alone is not sufficient to establish a different LOT between sales made in the Japanese market and those made to the United States, we preliminarily determine that the sales to the U.S. and home market during the POR were made at the same LOT. *Id.* Consequently, we matched EP and CEP sales to comparison-market sales at the same LOT and no LOT adjustment was warranted.

D. Cost of Production Analysis

Based on our analysis of the petitioners' allegations, we found that there were reasonable grounds to believe or suspect that Hitachi Cable's and NKKN's sales of SSSSC in the home market were made at prices below their COP. Accordingly, pursuant to section 773(b) of the Act, we initiated sales-below-cost investigations to determine whether Hitachi Cable's and NKKN's sales were made at prices below their respective COPs. *See* the Hitachi Cable Cost Initiation Memo, and the NKKN Cost Initiation Memo.

1. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated the respondents' COPs based on the sum of their costs of materials and conversion for the foreign like product, plus amounts for G&A expenses and interest expenses. *See* ''Test of Comparison Market Sales Prices'' section below for treatment of comparison-market selling expenses.

The Department relied on the COP data submitted by Hitachi Cable and NKKN for the cost reporting period in their most recent supplemental section D questionnaire responses for the COP calculations, except for the following instances where the information was not appropriately quantified or valued.

Hitachi Cable

1. The only product Hitachi Cable sold in the United States during the POR was produced within the POR but outside of the alternative cost reporting period (CRP).[11] Accordingly, the reported costs for the U.S. product were based on the standard costs and variances applicable during the POR but outside the alternative CRP. Because Hitachi Cable's reported costs for the products sold in the home market were based on the standard costs and variances for the alternative CRP, we used the alternative CRP standard costs and variances to calculate the costs of the U.S. product.

2. We included certain non-operating income and expense items in the numerator of the G&A expense ratio calculation, which Hitachi had excluded from its calculation. Also, we used the cost of goods sold from Hitachi Cable's financial statements as the denominator in the calculation of the G&A expense ratio as opposed to the total COM plus beginning inventory, as calculated by Hitachi.

3. We estimated the consolidated packing expense based on Hitachi's unconsolidated packing expenses and removed it from the cost of goods sold, which is used as the denominator in the calculation of the financial expense ratio. *See Stainless Steel Sheet and Strip in Coils from Mexico: Final Results of Antidumping Duty Administrative Review,* 73 FR 7710 (February 11, 2008), and accompanying Issues and Decision Memorandum at Comment 12.

4. Hitachi did not provide a cost for one product. Thus, for the preliminary results, we used a similar product's cost as a surrogate cost.

See Memorandum to Neal M. Halper, Director of Office of Accounting, ''Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results—Hitachi Cable Ltd.'' (July 31, 2009).

NKKN

1. We used the revised COM for the U.S. steel grades that NKKN provided at the Department's request after the cost verification.

2. We revised the reported COM to include the cost of re-slitting that was performed by affiliated resellers, consistent with the statute to treat such costs as a part of COM. *See* sections 773(a)(6) and 773(b)(3)(A) of the Act. NKKN originally included these costs in its affiliated resellers' home market sales databases.

See Memorandum to Neal M. Halper, Director of Office of Accounting, ''Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results—Nippon Kinzoku Co., Ltd.'' (July 31, 2009).

Test of Comparison-Market Sales Prices

On a product-specific basis, we compared the weighted-average COP to the home market sales of the foreign like product, adjusted where applicable, as required under section 773(b) of the Act, in order to determine whether the sale prices were below the COP. For purposes of this comparison, we used COP exclusive of selling and packing expenses. The prices, adjusted for any applicable billing adjustments, were exclusive of any applicable movement charges, rebates, discounts, and direct and indirect selling expenses, and packing expenses.

3. Results of the COP Test

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

We found that, for certain specific products, more than 20 percent of Hitachi Cable's and NKKN's comparison-market sales were at prices less than the COP and, in addition, such sales did not provide for the recovery of costs within a reasonable period of time. We therefore excluded these sales and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

E. Calculation of Normal Value Based on Comparison-Market Prices

1. Hitachi Cable

We based NV for Hitachi Cable on prices to unaffiliated customers in the home market, or prices to affiliated customers in the home market that were determined to be at arm's length. Where appropriate, we made adjustments to the starting price for billing adjustments. We also made deductions for inland freight (plant/warehouse to customer), under section 773(a)(6)(B)(ii) of the Act, and home market credit expenses, pursuant to 773(a)(6)(C)(iii) of the Act.

Furthermore, we made adjustments for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411.

We also deducted home market packing costs and added U.S. packing costs in accordance with sections 773(a)(6)(A) and (B) of the Act.

2. NKKN

We based NV for NKKN on delivered prices to unaffiliated customers in the home market, or prices to affiliated customers in the home market that were determined to be at arm's length. Where appropriate, we made adjustments to the starting price for billing adjustments and rebates. We made deductions, where appropriate, for pre-sale warehousing expenses and inland freight (plant to internal or external warehouse, and plant to customer) and insurance expenses, under section 773(a)(6)(B)(ii) of the Act.

For home market price-to-EP comparisons, we made circumstance-of-sale adjustments for differences in credit expenses and warranty expenses, pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410.

For home market price-to-CEP comparisons, we made deductions for home market credit and warranty expenses, pursuant to 773(a)(6)(C) of the Act.

Furthermore, we made adjustments for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411.

We also deducted home market packing costs and added U.S. packing costs, in accordance with section 773(a)(6)(A) and (B) of the Act.

[11] The CRP for Hitachi Cable was shifted from July 1, 2007, through June 30, 2008 (POR) to April 1, 2007, through March 31, 2008 (Hitachi Cable's fiscal year).

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A of the Act and 19 CFR 351.415 based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Preliminary Results of the Review

We preliminarily determine that weighted-average dumping margins exist for the respondents for the period July 1, 2007, through June 30, 2008, as follows:

Manufacturer/Exporter	Percent margin
Hitachi Cable Limited	0.00
Nippon Kinzoku Company Limited.	0.23 (*de minimis*)

Disclosure and Public Hearing

The Department will disclose to parties the calculations performed in connection with these preliminary results within five days of the date of publication of this notice. *See* 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c)(ii), interested parties may submit cases briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs. *See* 19 CFR 351.309(d)(1). Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) A statement of the issue; (2) A brief summary of the argument; and (3) a table of authorities.

Interested parties who wish to request a hearing or to participate if one is requested must submit a written request to the Assistant Secretary for Import Administration, Room 1870, within 30 days of the date of publication of this notice. Requests should contain: (1) The party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. *See* 19 CFR 351.310(c). Issues raised in the hearing will be limited to those raised in the respective case briefs.

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

Assessment Rates

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

For Hitachi Cable's U.S. sales and the majority of NKKN's U.S. sales, we note that the respondents reported the entered value for the U.S. sales in question. We will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of the examined sales for that importer.

For some of NKKN's U.S. sales, we note that NKKN did not report the entered value for the U.S. sales in question. We will calculate importer-specific per-unit duty assessment rates by aggregating the total amount of antidumping duties calculated for the examined sales and dividing this amount by the total quantity of those sales. To determine whether the duty assessment rates are *de minimis,* in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we will calculate importer-specific *ad valorem* ratios based on the estimated entered value.

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rate calculated in the final results of this review is above *de minimis* (*i.e.,* at or above 0.50 percent). Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (*i.e.,* less than 0.50 percent). The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

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 POR produced by companies included in these final results of review for which the reviewed companies did not know that the merchandise they 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 effective during the POR (*i.e.,* 40.18 percent) if there is no rate for the intermediary involved in the transaction. *See Assessment Policy Notice* for a full discussion of this clarification.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for each specific company listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent, and therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not participating in this review, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will be 40.18 percent, the all-others rate established in the LTFV investigation. These requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221.

Dated: July 31, 2009.

John M. Andersen,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

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