DEPARTMENT OF COMMERCE

International Trade Administration

[75 FR 66349 (October 28, 2010). (Initiation Notice)]

Certain Lined Paper Products From India: Notice of Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain lined paper products (CLPP) from India. For the period September 1, 2009, through August 31, 2010, we have preliminarily determined that Navneet Publications (India) Limited (Navneet) and Riddhi Enterprises (Riddhi) have made sales of subject merchandise at less than normal value (NV).

In addition, based on the preliminary results for the respondents selected for individual examination, we have preliminarily determined a margin for those companies that were not selected for individual examination. 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 antidumping duties on all appropriate entries of subject merchandise during the period of review (POR). See “Preliminary Results of Review” section of this notice. Interested parties are invited to comment on these preliminary results.

DATES: Effective Date: October 7, 2011.

FOR FURTHER INFORMATION CONTACT: Stephanie Moore (Navneet) or George McMahon (Riddhi) 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) 482-3092 or (202) 482-1167, respectively.

Background

On September 1, 2010, the Department issued a notice of opportunity to request an administrative review of this order for the POR of September 1, 2009, through August 31, 2010. See Antidumping or Countervailing Duty Order, Finding, or Determination; Opportunity to Request Administrative Review, 75 FR 53635 (September 1, 2010).

Pursuant to a request from the Association of American School Paper Suppliers, (AASPS or petitioner), the Department published in the Federal Register the notice of initiation of this antidumping duty administrative review with respect to 35 companies, including Navneet and Riddhi, for the period September 1, 2009, through August 31, 2010. See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 75 FR 66349 (October 28, 2010). (Initiation Notice).

On November 9, 2010, the Department notified interested parties of its intent to use CBP data for respondent selection. See Memorandum to The File, Through Melissa Skinner, Office Director, Office 3 and Through James Terpstra, Program Manager, Office 3 from Stephanie Moore, Case Analyst titled “Customs and Border Patrol Data for Selection of Respondents for Individual Review.”

On November 16, 2010, we received comments from AASPS. On December 7, 2010, the Department selected Navneet and Riddhi as companies to be individually examined in this administrative review. See Memorandum to Melissa Skinner, Director, Office 3 Through James Terpstra, Program Manager, Office 3 from Stephanie Moore, Case Analyst titled “Antidumping Duty Administrative Review of Certain Lined Paper Products From India: Selection of Respondents for Individual Review” (Respondent Selection Memo), dated December 7, 2010.

On December 8, 2010, the Department issued an antidumping questionnaire (original questionnaire) to Navneet and Riddhi with a response date due of January 14, 2011. After granting an extension to Navneet, the original questionnaire response was submitted on February 10, 2011. On March 1, 2011, petitioner submitted deficiency comments regarding Navneet’s February 10, 2011, questionnaire response. The Department issued several supplemental questionnaires to Navneet and the responses were received on April 28, 2011, July 28, 2011, and on September 9, 2011.

With respect to Riddhi, we received the Sections A–C questionnaire response on February 6, 2011. The Department issued a Sections A–C supplemental questionnaire to Riddhi on March 7, 2011, and Riddhi’s response was received on April 12, 2011. Petitioner submitted a sales below the cost of production (COP) allegation regarding Riddhi on May 2, 2011. Based on the allegation submitted by petitioner, the Department determined that there are reasonable grounds to believe or suspect that Riddhi made sales of the subject merchandise in the third country market, Panama, at prices below its COP, pursuant to section 773(b) of the Tariff Act of 1930, as amended (the Act). On May 17, 2011, the Department initiated a sales below the COP investigation with respect to Riddhi and issued a Section D questionnaire to Riddhi on May 17, 2011. Riddhi responded to the Section D questionnaire on June 28, 2011. The Department issued several supplemental questionnaires to Riddhi and we received timely responses from Riddhi.


Period of Review

The POR is September 1, 2009, through August 31, 2010.

Scope of the Order

The scope of this order includes certain lined paper products, typically school supplies (for purposes of this scope definition, the actual use of or labeling these products as school supplies or non-school supplies is not a defining characteristic) composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets (there shall be no minimum page requirement for loose leaf filler paper) including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, loose leaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8¾ inches to 15 inches (inclusive). Page dimensions are...
measured size (not advertised, stated, or "tear-out" size), and are measured as they appear in the product (i.e., stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded page). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of this order whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced. Subject merchandise may contain accessory or informational items including but not limited to: pre-printed reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto.

Specifically excluded from the scope of this order are:
- Unlined copy machine paper;
- Writing pads with a backing (including but not limited to products commonly known as "tablet", "note pads", "legal pads", and "quadrille pads"), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper;
- Three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper;
- Index cards;
- Printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap;
- Newspapers;
- Pictures and photographs;
- Desk and wall calendars and organizers (including but not limited to such products generally known as "office planners," "time books," and "apartment books");
- Telephone logs;
- Address books;
- Columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data;
- Lined business or office forms, including but not limited to: pre-printed business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books;
- Lined continuous computer paper;
- Boxed or packaged writing stationary (including but not limited to products commonly as "fine business paper," "parchment paper," and "letterhead"), whether or not containing a lined header or decorative lines;
- Stenographic pads ("steno pads"). Gregg ruled ("Gregg ruling" consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left (of the book), measuring 6 inches by 9 inches;
- Also excluded from the scope of this order are the following trademarked products:
  - Fly™ lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly™ pen-top computer. The product must bear the valid trademark Fly™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope);
  - Zwipes™: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a specially-developed permanent marker and erase system (known as a Zwipes™ pen). This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink allowing the ink to be removed. The product must bear the valid trademark Zwipes™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope);
  - FiveStar® Advance™: A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness: front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine covering, is captured both ends of a 1" wide elastic fabric band. This band is located 2" from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The product must bear the valid trademarks FiveStar® Advance™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope);
  - FiveStar Flex™: A notebook, a notebook organizer, or binder with plastic polyolefin front and rear covers joined by 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness: front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex™ (products found to be bearing an invalidly licensed or used trademark are not excluded from the scope).

Merchandise subject to this order is typically imported under headings 4811.90.9035, 4811.90.9080, 4820.30.0040, 4811.90.9050, 4811.90.9090, 4820.10.2030, 4820.10.2030.
4820.10.2030, 4820.10.2040, 4820.10.2050, 4820.10.2060, and 4820.10.4000 of the Harmonized Tariff Schedule of the United States (HTSUS). 3 The HTSUS headings are provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.

Product Comparisons

In accordance with section 771(16) of the Act, all products produced by Navneet covered by the description in the “Scope of the Order” section above and sold in India during the POR are considered to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. Because Riddhi did not have home market sales of subject merchandise during the POR, all products produced by Riddhi covered by the description in the “Scope of the Order” section above and sold in Panama during the POR are considered to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We have relied on eight criteria to match U.S. sales of subject merchandise to comparison market sales of the foreign like product: (1) Form, (2) paper volume, (3) brightness, (4) binding type, (5) cover material, (6) back material, (7) number of inserts, and (8) insert material. Where there were no sales of identical merchandise in the home market made (or the third country market reported by Riddhi) in the ordinary course of trade 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 above.

For purposes of the preliminary results, where appropriate, we have calculated the adjustment for differences in merchandise based on the difference in the variable cost of manufacturing (VCOM) between each U.S. model and the most similar home market model selected for comparison.

Normal Value Comparisons

To determine whether sales of CLPP from Navneet and Riddhi to the United States were made at less than NV, we compared Export Price (EP) to the NV, as described in the “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. transaction prices.

Export Price

For all U.S. sales made by Navneet and Riddhi, we used the 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 importation. We based EP on landed prices to the first unaffiliated purchaser in the United States. When appropriate, we reduced the EP prices to reflect discounts.

In accordance with section 772(c)(2)(A) of the Act, we made deductions, where appropriate, for movement expenses including foreign inland freight from plant/warehouse to the port of exportation, foreign brokerage and handling, and foreign bill of lading charges. We also increased EP by an amount equal to the countervailable duty (CVD) rate attributed to export subsidies in the most recently completed CLPP from India CVD segment 4 to which the respondent was subject, in accordance with section 772(c)(1)(C) of the Act.

Normal Value

A. Selection of Comparison Market

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 Navneet’s and Riddhi’s volume of home market sales of the foreign like product to the volume of their U.S. sales of the subject merchandise. Pursuant to sections 773(a)(1)(B) and 773(a)(1)(C) of the Act, because Navneet had an aggregate volume of home market sales of the foreign like product that 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.

Riddhi reported that it “does not have any sales of the foreign like product in the home market.” See Riddhi’s Section A questionnaire response (Sec. AQR), dated February 6, 2011, at page A–4 and Exhibit A–1. Riddhi reported the quantity and value of sales of foreign like product made to its three largest third country markets: Panama, Nicaragua, and Venezuela. Id. Based on this data, we find that Riddhi’s third country sales to Panama meet the Department’s five percent threshold for viability because its sales of the foreign like product are of sufficient quantity to form the basis of normal value. See 19 CFR 351.404(b)(2). In selecting a third country market, the Department also considers whether “the foreign like product exported to a particular third country is more similar to the subject merchandise exported to the United States than is the foreign like product exported to other third countries.” See 19 CFR 351.404(e)(1). Riddhi reported that, among its three largest third country markets, Riddhi’s sales of products also exported to the United States are highest to Panama. Id. at A–5. Based on the Department’s examination of the sales data and Riddhi’s reporting we find that, among the three third countries reported, Riddhi’s third country sales to Panama are the most comparable to its sales to the United States. The Department also examines whether “[t]he volume of sales to a particular third country is larger than the volume of sales to other third countries.” See 19 CFR 351.404(e)(2). Riddhi reported that Panama represents Riddhi’s largest third country market. See Riddhi’s Sec. AQR, dated February 6, 2011, at page A–4. Based on the product comparability and the viability of Riddhi’s sales in Panama, we find that Panama is an appropriate third country market to form the basis for the Department’s calculation of NV.

Section 773(a)(1)(C)(i) of the Act applies to the Department’s determination of NV if the foreign like product is not sold (or offered for sale) for consumption in the exporting country. When sales in the home market are not viable, section 773(a)(1)(B)(ii) of the Act provides that sales to a particular third country market may be utilized if: (1) the prices in such market are representative; (2) the aggregate quantity of the foreign like product sold by the producer or exporter in the third country market is five percent or more of the aggregate quantity of the subject merchandise sold in or to the United States; and (3) the Department does not determine that a particular market situation in the third country market prevents a proper comparison with the U.S. price. The Department has examined Riddhi’s reported third country sales quantity and volume and preliminarily finds that Riddhi has satisfied the aforementioned criteria.

3 Based on requests from National Import Specialist, A. Gamble of CBP, the Department added headings 4811.90.9035, 4811.90.9080, 4820.30.0040 to the scope of this review. See Memorandum from Gayle Longest, Case Analyst, through James Terpstra to the File, dated July 6, 2011 and July 11, 2011.

4 For the most recently completed CVD segment for Navneet, see Certain Lined Paper Products from India: Notice of Preliminary Results of Countervailing Duty Administrative Review, 73 FR 58121 at 58124–58125 (October 6, 2008), unchanged in the Final Results, 74 FR 6573 (February 10, 2009). For the most recently completed CVD segment for Riddhi, see Notice of Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Lined Paper Products from India, 71 FR 45034, 45035 (August 9, 2006).
Therefore, we have used Riddhi’s third country sales to Panama as the basis for calculating NV, in accordance with section 773(a)(4) of the Act.

B. Cost of Production Analysis

In regard to Navneet, because the Department disregarded below cost sales in the most recently completed segment of the proceeding in which Navneet participated, we had reasonable grounds to believe or suspect that home market sales of the foreign like product by the respondents were made at prices below the COP during the POR, in accordance with section 773(b)(2)(A)(ii) of the Act. Therefore, we required Navneet to submit a response to Section D of the Department’s questionnaire.

With respect to Riddhi, the Department initiated a sales-below-cost of production investigation based on petitioner’s sales-below-cost of production allegation.

1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP by model based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for general and administrative expenses (G&A). We relied on the COP data submitted by both Navneet and Riddhi except the following adjustments. For these preliminary results, we adjusted Navneet’s reported cost of manufacturing to include common production costs not allocated to divisions and other common production costs of the stationery division not allocated to subdivisions. See Preliminary Calculation Memorandum for Navneet, dated September 30, 2011.

Consistent with the Department’s methodology in the Third Administrative Review, for Navneet, we calculated the COP and constructed value (CV) of all control numbers (CONNUMs) sold in the home market to exclude the central excise tax on raw material inputs. See Preliminary Results. We have made no adjustments to Riddhi’s reported costs for these preliminary results.

Based on the review of record evidence, Riddhi and Navneet did not appear to experience significant changes in cost of materials (COM) during the POR. Therefore, for both Navneet and Riddhi, we followed our normal methodology of calculating an annual weighted-average cost.

2. Test of Comparison Market Prices

As required under section 773(b)(2) of the Act, we compared the weighted-average COP for the respondents to their home market or third country market sales prices of the foreign like product, as required under section 773(b) of the Act, to determine whether these sales had been made at prices below the COP within an extended period of time (i.e., normally a period of one year) in substantial quantities and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. On a model-specific basis, we compared the COP to the home market or third country prices, less any applicable movement charges, discounts, rebates, and direct and indirect selling expenses.

3. Results of COP Test

We disregard below-cost sales where:

(1) 20 percent or more of the respondent’s sales of a given product during the POR were made at prices below the COP in accordance with sections 773(b)(2)(B) and (C) of the Act; and

(2) based on comparisons of price to weighted-average COPs for the POR, we determine that the below-cost sales of the product were at prices that would not permit recovery of all costs within a reasonable time period, in accordance with section 773(b)(2)(D) of the Act. We found that Navneet and Riddhi made sales below cost and we disregarded such sales where appropriate. See Preliminary Calculation Memorandum for Navneet, and Preliminary Calculation Memorandum for Riddhi, both dated September 30, 2011.

C. Calculation of Normal Value Based on Comparison Market Prices

For Navneet, we based home market prices on packed prices to unaffiliated purchasers in India. For Riddhi, we based third country market prices on packed prices to unaffiliated purchasers in Riddhi’s third country market, Panama. Where appropriate, in accordance with section 773(a)(6)(B) of the Act, we deducted from the starting price inland freight. Pursuant to 19 CFR 351.401(c), we made deductions from the starting price, when appropriate, for discounts and rebates. In accordance with sections 773(a)(6)(A) and (B) of the Act, we added U.S. packing costs and deducted comparison market packaging, respectively. We also deducted home market movement expenses pursuant to section 773(a)(6)(B) of the Act. In addition, for comparisons made to EP sales, we made adjustments for differences in circumstances of sale (COS) pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410(b). Specifically, we made adjustments to normal value for comparison to Navneet and Riddhi’s EP transactions by deducting direct selling expenses incurred for home market sales (i.e., credit expenses) and adding U.S. direct selling expenses (i.e., credit expenses) and U.S. commissions. See section 773(a)(6)(C)(iii) of the Act, and 19 CFR 351.410(c). We also made adjustments for Navneet and Riddhi, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred in the home market or the United States where commissions were granted on sales in one market but not in the other, i.e., the “commission offset.” Specifically, where commissions are incurred in one market, but not in the other, we will limit the amount of such allowance to the amount of either the selling expenses incurred in the one market or the commissions allowed in the other market, whichever is less.

When comparing U.S. sales with comparison market sales of similar, but not identical, merchandise, we also made adjustments for physical differences in the merchandise in accordance with section 773(a)(6)(D)(i) of the Act. For the Act and 19 CFR 351.411. We based this adjustment on the difference in the VCOM for the foreign like product and subject merchandise, using weighted-average costs.

Finally, consistent with section 773(a)(6)(B)(iii) of the Act, with respect to Navneet, we made an adjustment for central excise taxes that Navneet paid on raw material inputs used to produce merchandise that was sold in the home market that were not paid on the same inputs used to produce merchandise that was exported from India. Under Indian law, Navneet was prohibited from charging this excise tax on sales of school supplies sold in India. See Navneet’s questionnaire response dated February 10, 2011, at page B–50. In addition, the excise tax that Navneet paid on inputs into school supplies was not refunded and was not otherwise recovered by Navneet. Id. See also Preliminary Results, 75 FR 64992, unchanged in the final results of the Third Administrative Review. Therefore,
we find the tax is included in the price and adjustment is warranted. For products other than school supplies, Navneet reported home market selling prices net of the excise tax. See Preliminary Calculation Memorandum for Navneet, dated September 30, 2011.

D. Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, the Department determines NV based on sales in the comparison market at the same level of trade (LOT) as the EP or CEP transactions. In order to perform the LOT analysis, we examine the selling functions provided to different customer categories to evaluate the LOT in a particular market. Specifically, we compare the selling functions performed for home market sales with those performed with respect to the EP or CEP transactions, after deductions for economic activities occurring in the United States, pursuant to section 772(d) of the Act and 19 CFR 351.412, to determine if the home market LOT constitutes a different LOT than the EP or CEP LOT.

Consistent with 19 CFR 351.412(c)(2), to determine whether comparison market sales were at a different LOT, we examined 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 were at a different LOT and the differences affect price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison market sales at the LOT of the export transaction, we will make an LOT adjustment under section 773(a)(7)(A) of the Act.

Navneet

Navneet has identified eight channels of distribution.9 Seven channels are in the home market (HM): (1) Full service Navneet brand distributor, (2) limited service Boss brand, (3) chain store “key-account,” (4) institutional end-users who purchase materials for their own use; (5) schools that purchase customized products for their own use and for reselling to students, (6) full service Navneet brand directed to super stockists who then sell to distributors; and (7) limited service Boss brand directed to super stockists who then sell to distributors. One channel of distribution exists for the U.S. market.

Only two of Navneet’s distribution channels are full service channels. In channel 1 (distributors with full-service merchandising) Navneet claims that it designs and produces products on its own account; maintains the products in regional and C&F warehouses nationwide; delivers products to distributors from local warehouses and issues invoices to distributors; and actively participates in advertising at the retail and consumer levels. See Navneet questionnaire response, dated February 10, 2011, at page A–14. In channel 6 (full service Navneet brand directed to super stockists who then sell to distributors) Navneet states that it designs and produces products on its own account; sells to super stockists, which maintains the products in its own warehouse; and actively participates in advertising at the retail and consumer levels. As a result, the levels of selling activities for channels 1 and 6 in the home market are at a different level of intensity than the levels of selling activities in the other channels of distribution in the home market. Thus, we find that the home market channels of distribution constitute two LOTs: (1) LOT1, which consists of channels 1 and 6, and (2) a combined LOT2, which consists of channels 2, 3, 4, 5, and 7, as reported by Navneet in its database. See Exhibit A.6.

In the U.S. market, Navneet made only EP sales of the subject merchandise. There was one channel of distribution for U.S. sales, importers/distributors, who distribute the products to retailers. Navneet produces products for the U.S. market to order, and ships them directly from the factory to the port for export, without being held in an intermediate warehouse. After shipment, Navneet has no further involvement in the sale. All marketing, selling and distribution activities are carried out by the importers/distributors for the U.S. market. See id. at A–23 through A–25, and Exhibit A.6. The selling activities that Navneet performs for its U.S. customers are business proprietary information. See id. at Exhibit A.6.

Based on our analysis of the selling activities in the home market and in the U.S. market, we find that there is one single level of trade for all sales in both the third country market and the U.S. market. Therefore, no basis exists for a level of trade adjustment.

E. Date of Sale

The Department normally uses the date of invoice as the date of sale. However, the Department may use a date other than the date of invoice (e.g., the date of contract in the case of a long-term contract) if satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale (e.g., price, quantity). See 19 CFR 351.401(i) of the regulations. For Navneet, based on the information on the record and consistent with the prior review, we preliminarily find that the purchase order better reflects the date on which the exporter or producer established the material terms of sale for Navneet’s U.S. sales. See Navneet’s Sec.

Riddhi

Riddhi reports that it has only one channel of distribution and one LOT in the third country market, Panama. Riddhi sold to one customer category, trading companies, in Panama. Riddhi reports that it performs the following selling functions for its sales to Panama: Packing, order input/processing, direct sales personnel, rebates, pays commissions, and provides freight and delivery. See Riddhi’s Sec. AQR, dated February 6, 2011, at Exhibit A–5.

In the U.S. market, Riddhi reports that its sales were made through one channel of distribution and one LOT. Riddhi sold to one customer category, trading companies, in the United States. Riddhi does not claim any level of trade adjustment and the petitioner has not claimed that multiple levels of trade existed for Riddhi. See Riddhi’s Section B and C questionnaire responses, dated February 6, 2011, at pages B–30 and C–28. Riddhi reports that it performs the following selling functions for its sales to the United States: Packing, order input/processing, direct sales personnel, provides cash discounts, pays commissions, and provides freight and delivery. See Riddhi’s Sec. AQR, dated February 6, 2011, at Exhibit A–5. Riddhi reports that it performs the same selling functions for all of its U.S. customers, with the exception of one customer that has its containers filled at the Indian port rather than Riddhi’s factory. See id. at Exhibits A–17, A–18. For more details, see Preliminary Calculation Memorandum for Riddhi, dated September 30, 2011.

Based on our analysis of the selling activities in the home market and in the U.S. market, we find that there is one single level of trade for all sales in both the third country market and the U.S. market. Therefore, no basis exists for a level of trade adjustment.

9 We note that Navneet refers to channel 6 as “sales to the U.S. market” and channel 7 as “Boss brand sales directed to super stockists” in the home market. See Navneet questionnaire response, dated February 10, 2011, at page A–11. However, for purposes of discussion in this notice, we changed the numbers to sequential order in the home market.
AQR, at page A–31. We have relied on invoice date as the date of sale for Navneet’s home market, as this represents the date in which the material terms of sale are finalized.10

Riddhi reports “both for U.S. market and third country market sales, there are no further changes to the agreed price and quantity once the commercial invoice is issued. Hence, the commercial invoice date sets out the final terms of sale.” 11 Accordingly, we have relied on invoice date as the sale date for both the U.S. market and Riddhi’s third country market, Panama.

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. See Preliminary Calculation Memorandum for Navneet, and Preliminary Calculation Memorandum for Riddhi, both dates September 30, 2011.

Preliminary Results of the Review

As a result of our review, we preliminarily determine that weighted-average dumping margins exist for the following respondents for the period September 1, 2009, through August 31, 2010:

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<thead>
<tr>
<th>Manufacturer/Exporter</th>
<th>Weighted average margin (percent)</th>
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<tbody>
<tr>
<td>Navneet Publications (India) Ltd.</td>
<td>2.65</td>
</tr>
<tr>
<td>Riddhi Enterprises, Ltd</td>
<td>3.58</td>
</tr>
</tbody>
</table>

Review-Specific Average Rate 12

Applicable to the 33 Non-Selected Companies Subject to This Review:

<table>
<thead>
<tr>
<th>Manufacturer/Exporter</th>
<th>Weighted average margin (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abhinav Paper Products Pvt. Ltd.</td>
<td>3.02</td>
</tr>
</tbody>
</table>

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 in accordance with 19 CFR 351.310(d)(1). 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, unless extended. See section 751(a)(3)(A) of the Act, and 19 CFR 351.215(b).

Assessment Rate

Upon completion of the final results of this administrative review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), the Department will calculate importer-specific assessment rates for each respondent based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those sales. Where the respondent did not report the entered value for U.S. sales, we have calculated importer-specific assessment rates for the merchandise in question by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total quantity of those sales. To determine whether the duty assessment rates were de minimis, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer-specific ad valorem rates based on the estimated entered value. Where the assessment rate is above de minimis, we will instruct CBP to assess duties on all entries of subject merchandise by that importer. 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 Department intends to issue assessment instructions directly to CBP 15 days after publication of the final results of this review.

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 respondents subject to this review for which the reviewed companies did not know that the merchandise which sold through an 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. For a full discussion of this clarification, see id.

Cash Deposit Requirements

To calculate the cash deposit rates for Navneet and Riddhi, we divided their total dumping margins by the total net value of each of their sales during the review period. For the companies which were not selected for individual review, we have calculated a cash deposit weighted-average rate based on the publicly ranged U.S. quantities of Navneet’s and Riddhi’s affirmative dumping margins for the period September 1, 2009, through August 31, 2010.

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of CLPP from India entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act and 19 CFR 351.221(b)(4).

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These cash deposit requirements, when imposed, shall remain in effect until

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 and/or countervailing 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 and/or countervailing duties occurred and the subsequent increase in antidumping duties by the amount of antidumping and/or countervailing duties reimbursed. These preliminary results of administrative review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: September 30, 2011.

Ronald K. Lorentzen,
Deputy Assistant Secretary for Import Administration.

[BFR Doc. 2011–26065 Filed 10–6–11; 8:45 am]

BILLING CODE 3510–05–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–848]

Preliminary Results Freshwater Crawfish Tail Meat From the People’s Republic of China: Of Antidumping Duty Administrative Review and Intent To Rescind Review in Part

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

SUMMARY: In response to timely requests, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on freshwater crawfish tail meat from the People’s Republic of China (PRC). The period of review (POR) is September 1, 2009, through August 31, 2010.

Although we have preliminarily determined that sales have not been made below normal value by Xiping Opeck Food Co., Ltd., our analysis of the applicable transactions requires additional information. See discussion below. We have preliminarily determined that sales have been made below normal value by China Kingdom (Beijing) Import & Export Co., Ltd. (China Kingdom), Shanghai Ocean Flavor International Trading Co., Ltd. (Shanghai Ocean Flavor), Xiping Opeck Food Co., Ltd. (Xiping Opeck), Xuzhou Jining Jiang Foodstuffs Co., Ltd. (Xuzhou Jining Jiang), Yancheng Hi-King Agriculture Developing Co., Ltd. (Yancheng Hi-King), and Nanjing Gensen International Co., Ltd. (Nanjing Gensen). On November 18, 2010, we selected Xiping Opeck and Yancheng Hi-King for individual examination. See memorandum entitled “Freshwater Crawfish Tail Meat from the People’s Republic of China—Respondent Selection,” dated November 18, 2010.

The Department rescinded the review with respect to Yancheng Hi-King in Freshwater Crawfish Tail Meat From the People’s Republic of China: Rescission of Antidumping Duty Administrative Review, 75 FR 66349 (October 28, 2010).