

the issue; (2) a brief summary of the argument; and (3) a table of authorities. Further, parties submitting case briefs and/or rebuttal briefs are requested to provide the Department with an additional copy of the public version of any such briefs on diskette. The Department will issue the final results of this administrative review, including the results of our analysis of the issues raised in any written comments or at a hearing, if requested, within 120 days of publication of these preliminary results. Given the U.S. market trends and the concerns with respect to the Suspension Agreement's legal viability that the Department is considering in the context of this administrative review, the Department will also evaluate whether there is good cause to accelerate the issuance of the final results (*i.e.*, prior to the 120th day after publication of the preliminary results).

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

Dated: May 23, 2012.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-423-808]

#### Stainless Steel Plate in Coils From Belgium: 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 stainless steel plate in coils (steel plate) from Belgium covering the period of review (POR) May 1, 2010, through April 30, 2011. This review covers one producer/exporter of subject merchandise, Aperam Stainless Belgium N.V. (AS Belgium).<sup>1</sup>

We have preliminarily determined that, during the POR, AS Belgium and its affiliate, Aperam Stainless Services

and Solutions USA (Aperam USA) made U.S. sales that were below normal value (NV). If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries of subject merchandise during the POR.

Interested parties are invited to comment on these preliminary results. The Department will issue the final results within 120 days after publication of the preliminary results.

**DATES:** *Effective Date:* June 1, 2012.

**FOR FURTHER INFORMATION CONTACT:**

Jolanta Lawska or Eric Greynolds, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-8362 or (202) 482-6071, respectively.

**SUPPLEMENTARY INFORMATION:**

#### Background

On May 2, 2011, the Department issued a notice of opportunity to request an administrative review of this order for the POR.<sup>2</sup> On May 31, 2011, the Department received a timely request for an administrative review of this antidumping duty order from the respondent, AS Belgium. On June 28, 2011, the Department published in the **Federal Register** a notice of initiation of the administrative review of the antidumping duty order on steel plate from Belgium covering one respondent, AS Belgium.<sup>3</sup>

On June 30, 2011, the Department sent the initial questionnaire covering sections A through D to AS Belgium. We received AS Belgium's response to section A of the Department's questionnaire on August 15, 2011, section C on September 13, 2011, and sections B and D on September 26, 2011. On November 8, 2011, the Department sent to AS Belgium the first supplemental questionnaire for sections A-C and received the response on December 13, 2011. On November 15, 2011, the Department sent to AS Belgium a supplemental questionnaire for section D and received the response on December 14, 2011. On January 25, 2012, the Department issued the second supplemental section A-D questionnaire. We received the response on February 8, 2012.

On February 28, 2012, the Department issued a memorandum to all interested parties to comment on the selection of an alternative source for determining Constructed Value (CV) profit and selling expenses with respect to AS Belgium for the preliminary results of review. On March 13, 2012, the Department received comments on the selection of an alternative source for determining CV profit and selling expenses. On March 20, 2012, the Department received rebuttal comments from petitioners<sup>4</sup> on AS Belgium's response and petitioners' request for verification based upon good cause. Between March and April 2012, AS Belgium and petitioners made numerous submissions.<sup>5</sup>

On December 5, 2011, the Department published a notice extending the time period for issuing the preliminary results of the administrative review from January 31, 2012, to May 30, 2012.<sup>6</sup>

Petitioners in their pre-preliminary submissions dated April 3, April 6, April 12, April 18, and April 24, 2012, raised the issue of bundled sales and targeted dumping. First, they allege that AS Belgium's sales patterns and

<sup>4</sup> Petitioners are Allegheny Ludlum Corporation, North American Stainless, United Auto Workers Local 3303, Zanesville Arco Independent Organization, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, (AFL-CIO/CLC).

<sup>5</sup> On March 22, 2012, AS Belgium submitted comments on petitioners' March 20, 2012 rebuttal comments. On March 23, 2012, petitioners submitted further comments on AS Belgium's March 20, and March 22, 2012 letters. On March 26, 2012, AS Belgium submitted comments on petitioners' March 23, 2012, letter. On April 3, 2012, AS Belgium submitted further comments on petitioners' March 20, and March 23, 2012, letters. On April 3, 2012, petitioners submitted comments in advance of the preliminary results on AS Belgium's September 7, 2011, Section B and September 13, 2011 Section C questionnaire responses (QR) and reinstated their request for verification as based upon good cause. On April 6, 2012, petitioners submitted further comments on AS Belgium's letter dated April 3, 2012. On April 12, 2012, the Department received further comments from petitioners related to the selection of an alternative source for determining CV profit and selling expenses with respect to AS Belgium. On April 16, 2012, petitioners submitted comments on AS Belgium's April 13, 2012 letter. On April 18, 2012, petitioners submitted a letter addressing AS Belgium's April 13, 2012 submission. On April 20, 2012, AS Belgium submitted comments in response to the letter filed by petitioners on April 18, 2012, arguing that there is no good cause for verification or collection of new information. On April 24, 2012, petitioners submitted a renewed request for verification of AS Belgium's data. On April 24, 2012, AS Belgium submitted a letter in response to petitioners' letter of April 12, 2012. On April 27, 2012 AS Belgium submitted a letter in response to petitioners' recent submissions.

<sup>6</sup> See *Stainless Steel Plate in Coils from Belgium: Notice of Extension of Time Limit for Preliminary Results of Administrative Review*, 76 FR 75870 (December 5, 2011).

<sup>1</sup> We determined that AS Belgium (otherwise known as Aperam) is the successor-in-interest to Arcelor Mittal Stainless Belgium N.V. (AMS Belgium) in an antidumping changed circumstances review. See *Stainless Steel Plate in Coils From Belgium: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 77 FR 21963 (April 12, 2012).

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 76 FR 24460 (May 2, 2011).

<sup>3</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 76 FR 37781 (June 28, 2011).

customer structure in both the home market and the U.S. market provide evidence that the sales of subject merchandise were priced in bundles with non-subject merchandise during the POR. Petitioners urge the Department to investigate further whether AS Belgium was engaged in bundled pricing during the POR. Second, petitioners note that they conducted their own targeted dumping analysis of AS Belgium's U.S. sales using the Department's targeted dumping methodology as applied in *Steel Nails* and *Wood Flooring*.<sup>7</sup> Based on their own analysis, petitioners argue that the Department should conduct a targeted dumping analysis and employ monthly average-to-transaction comparisons in place of monthly average to average comparisons without offsets should the Department find that the record supports its allegation of targeted dumping.<sup>8</sup> AS Belgium objects to the petitioners' allegations of bundled sales and targeted dumping in its submissions dated April 13, April 16, April 20, April 24, and April 27, 2012, and argues that petitioners failed to submit evidence in support of their allegations.

For these preliminary results of review the Department did not have adequate time to consider these comments in their entirety. In calculating the preliminary weighted-average dumping margin, the Department applied the calculation methodology adopted in *Final Modification for Reviews*.<sup>9</sup> In particular, the Department compared monthly weighted-average export prices with monthly weighted-average normal values and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margin.<sup>10</sup> Application of this methodology in these preliminary results affords parties an opportunity to meaningfully comment on the

Department's implementation of this recently adopted methodology in the context of this administrative review. The Department intends to continue to consider, pursuant to 19 CFR 351.414(3)(c), whether another method is appropriate in this administrative review in light of both parties' pre-preliminary comments and any comments on the issue that parties may include in their case briefs.

#### Scope of the Order

The product covered by this order is certain stainless steel plate in coils. Stainless steel is 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 plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of this order are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars.

The merchandise subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.02, 7219.12.00.05, 7219.12.00.06, 7219.12.00.20, 7219.12.00.21, 7219.12.00.25, 7219.12.00.26, 7219.12.00.50, 7219.12.00.51, 7219.12.00.55, 7219.12.00.56, 7219.12.00.65, 7219.12.00.66, 7219.12.00.70, 7219.12.00.71, 7219.12.00.80, 7219.12.00.81, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 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, 7220.90.00.10, 7220.90.00.15, and 7220.90.00.60. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this order is dispositive.

#### Scope Rulings

On December 3, 2008, in response to a request by Ugine & Alz Belgium, N.V., the Department issued a final scope ruling that found that stainless steel plate in coils from Belgium with a

nominal thickness of 4.75mm, regardless of the actual thickness, are within the scope of the order. See the Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Stainless Steel Plate in Coils from Belgium: Final Scope Ruling," (December 3, 2008), a public document available in room 7046 of the Central Records Unit in the Main Commerce Building.

#### Period of Review

The POR is May 1, 2010, through April 30, 2011.

#### Product Comparisons

In accordance with section 771(16) of the Tariff Act of 1930, as amended (the Act), we considered all products produced by the respondent that are covered by the description contained in the "Scope of the Order" section above and were sold in the home market during the POR, to be the foreign like product for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed in Appendix V of the initial antidumping questionnaire we provided to AS Belgium. See the Department's Antidumping Duty Questionnaire dated June 30, 2011. Where there were no sales of similar merchandise in the home market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to constructed value.

#### Normal Value Comparisons

To determine whether sales of subject merchandise from Belgium were made in the United States at less than NV, pursuant to 19 CFR 351.414(c)(1) and (d), we compared Constructed Export Price (CEP) to the NV of the foreign like product in the appropriate corresponding calendar month where there were sales made in the ordinary course of trade, as discussed in the "Cost of Production Analysis" section of this notice.<sup>11</sup>

<sup>11</sup> In these preliminary results, the Department applied the weighted-average dumping margin calculation method adopted in *Final Modification for Reviews* 77 FR 8101 (February 14, 2012). In particular, the Department compared monthly weighted-average export prices (or constructed export prices) with monthly weighted-average normal values and granted offsets for non-dumped comparisons in the calculation of the weighted average dumping margin.

<sup>7</sup> U.S. Steel Corporation's Allegation of Targeted Dumping, dated May 9, 2012, at 1-8 (citing *Certain Steel Nails from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 33,977 (June 16, 2008), and accompanying Issues and Decision Memorandum at Comment 8 (*Steel Nails*); *Multilayered Wood Flooring from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 76 FR 64318 (Oct. 18, 2011), and accompanying Issues and Decision Memorandum at Comment 4 (*Wood Flooring*)).

<sup>8</sup> See *id.* at 5-8.

<sup>9</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012) (*Final Modification for Reviews*).

<sup>10</sup> See *id.* at 8102.

### Home Market Viability

In accordance with section 773(a)(1)(C) of the Act, 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 AS Belgium's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise. Pursuant to section 773(a)(1)(B) of the Act and 19 CFR 351.404(b), because AS Belgium's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined that the home market was viable. Moreover, there is no evidence on the record indicating a particular market situation in the exporting company's country that would not permit a proper comparison of home market and U.S. prices.

### Constructed Export Price

In accordance with section 772(b) of the Act, CEP is the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise, or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter.

As stated at 19 CFR 351.401(i), the Department will use the respondent's invoice date as the date of sale unless another date better reflects the date upon which the exporter or producer established the essential terms of sale. AS Belgium reported the invoice date as the date of sale for both the U.S. market and the home market because the date of invoice reflects the date on which the material terms of sale were finalized. For more information, see the Preliminary Cost Memo and Memorandum to the file from Jolanta Lawska, International Trade Analyst, "Calculation Memorandum for Aperam Stainless Belgium N.V. for the Preliminary Results of the 10th Administrative Review of Stainless Steel Plate in Coils from Belgium (Prelim Sales Calc Memo), dated May 23, 2012.

For purposes of this review, AS Belgium classified all of its export sales of steel plate to the United States as CEP sales. During the POR, AS Belgium made sales in the United States through its U.S. affiliate, Aperam USA, which then resold the merchandise to unaffiliated customers in the United States. The Department calculated CEP based on packed prices to customers in the United States. We made deductions

from the starting price, net of discounts, for movement expenses (foreign and U.S. movement, U.S. customs duty and brokerage, and warehousing) in accordance with section 772(c)(2) of the Act and 19 CFR 351.401(e). In addition, because AS Belgium reported CEP sales, in accordance with section 772(d)(1) of the Act, we deducted from the starting price, credit expenses, warranty expenses, and indirect selling expenses, including inventory carrying costs, incurred in the United States and Belgium and associated with economic activities in the United States.

### Normal Value

In accordance with section 773(a)(1)(B)(i) of the Act, we have based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade. In addition, because the NV level of trade (LOT) is at a more advanced stage of distribution than the CEP LOT, and available data provide no appropriate basis to determine a LOT adjustment between NV and CEP, we made a CEP offset pursuant to section 773(a)(7)(B) of the Act. See "Level of Trade" section, below.

AS Belgium had no sales of subject merchandise in the home market to affiliated customers.

### Cost of Production Analysis

In the last administrative review of the order completed prior to the initiation of this review, the Department determined that AS Belgium sold the foreign like product at prices below the cost of producing the merchandise and, as a result, we excluded such sales from the calculation of normal value. See *Stainless Steel Plate in Coils From Belgium: Final Results of Antidumping Duty Administrative Review*, 74 FR 53468 (October 19, 2009). Therefore, pursuant to section 773(b)(2)(A)(ii) of the Act, there are reasonable grounds to believe or suspect that AS Belgium's sales of the foreign like product under consideration for the determination of normal value in the instant review may have been made at prices below COP. Pursuant to section 773(b)(1) of the Act, we have conducted a COP investigation of the respondent's sales in the comparison market.

#### 1. Calculation of Cost of Production

We conducted a COP analysis of AS Belgium's sales pursuant to section 773(b)(3) of the Act to determine whether any home market sales were made at prices below COP. We calculated AS Belgium's COP on a

product-specific basis, based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for general and administrative expenses, interest expenses, and the costs of all expenses incidental to packing the merchandise. We relied on the COP information AS Belgium submitted in its response to our cost questionnaire. We examined the cost data for AS Belgium and determined that our quarterly cost methodology is not warranted and, therefore, we have applied our standard methodology of using annual costs based on the reported data. See Memorandum to Neal Halper from Stephanie Arthur, "Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results of Review," (Prelim Cost Calc Memo), dated May 23, 2012.

### Test of Comparison Market Sales Prices

Pursuant to section 773(b)(1) of the Act, we compared the weighted-average COP to the per-unit price of the comparison market sales of the foreign like product, to determine whether these sales were made at prices below the COP within an extended period of time in substantial quantities, and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. We determined the net comparison market prices for the below-cost test by subtracting from the gross unit price any applicable movement charges, discounts, rebates, direct and indirect selling expenses and packing expenses which were excluded from COP for comparison purposes.

### Results of COP Test

Pursuant to section 773(b)(2)(C)(i) of the Act, where less than 20 percent of sales of a given product were at prices less than the COP, we do not disregard any below-cost sales of that product because we determine that the below-cost sales are not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the POR were at prices less than the COP, we determine such sales to have been made in "substantial quantities." See section 773(b)(2)(C) of the Act. Based on the results of the COP test, there were no above-cost sales for matching purposes. Further, the sales were made within an extended period of time, in accordance with section 773(b)(2)(B) of the Act, because we examined below-cost sales occurring during the entire POR. In such cases, because we compared prices to POR-average costs, we also determined that such sales were not made at prices which would permit recovery of all

costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, for purpose of this administrative review, we disregarded below-cost sales of a given product. Because we find that there were no above-cost sales for matching purposes, pursuant to section 773(b)(1), we based NV on CV for this company.

#### **Calculation of Constructed Value (CV) and Price to Constructed Value Comparisons**

Section 773(b)(1) of the Act provides that where no sales made in the ordinary course of trade remain after conducting the COP test, NV shall be based on CV. Accordingly, we are using CV because we find that there were no above-cost sales for matching purposes.

Section 773(e) of the Act provides that CV shall be based on the sum of the cost of materials and fabrication for the imported merchandise, plus amounts for selling, general, and administrative (SG&A) expenses, profit, and U.S. packing costs. We calculated the cost of materials, fabrication and general expenses based on the methodology described in the Cost of Production Analysis section above. However, there are no sales made in the ordinary course of trade that we can use to calculate selling expenses and profit for CV pursuant to section 773(e)(2)(A) of the Act. Therefore, we looked to the three alternatives established in section 773(e)(2)(B) of the Act to determine these amounts. The statute does not establish a hierarchy for selecting among the alternative methodologies provided in section 773(e)(2)(B) of the Act for determining selling expenses and profit. *See* Statement of Administrative Action Accompanying the URAA, H.R. Rep. No. 103-316, Vol. 1, at 840 (1994). The first such alternative, under section 773(e)(2)(B)(i) of the Act, provides for the use of actual amounts incurred and realized by the specific exporter or producer in connection with the production and sale of merchandise that is in the same general category of products as the subject merchandise. This option is not available to us for these preliminary results because there is no information on the record to permit a calculation of selling expenses and profit specific to a category of products in the same general category as the subject merchandise sold by AS Belgium. Another statutory alternative, set forth in section 773(e)(2)(B)(ii) of the Act, is the use of the weighted average of the actual amounts incurred and realized by the other exporters or producers that are subject to the investigation or review. This alternative is not available to the

Department, because AS Belgium is the sole respondent in this review. Alternative (iii) of section 773(e)(2)(B) of the Act specifies that selling expenses and profit may be calculated based on any other reasonable method, except that the amount for profit may not exceed the amount normally realized by exporters or producers in connection with the sale, for consumption in the foreign country, of merchandise that is in the same general category of products as the subject merchandise (*i.e.*, the “profit cap”).

As alternatives (i) and (ii) are not viable options, we determined CV selling expenses and CV profit for AS Belgium in this review pursuant to section 773(e)(2)(B)(iii) of the Act, using the selling expense and profit ratios that were calculated for AS Belgium’s home market sales in the 2007–2008 administrative review, the most recently completed review for this respondent. We are applying option (iii) without quantifying a “profit cap” because we do not have information allowing us to calculate the amount normally realized by exporters or producers (other than the respondent) in connection with the sale, for consumption in the foreign country, of the merchandise in the same general category. For a more detailed discussion regarding CV profit and CV selling expenses, *see* Prelim Sales Calc Memo. *See also Certain Orange Juice From Brazil: Preliminary Results of Antidumping Duty Administrative Review and Notice of Intent Not To Revoke Antidumping Duty Order in Part*, 75 FR 18794 (April 13, 2010) and *Certain Orange Juice From Brazil: Final Results of Antidumping Duty Administrative Review and Notice of Intent Not To Revoke Antidumping Duty Order in Part*, 75 FR 50999 (August 18, 2010) (*OJ From Brazil*).

We made adjustments to CV for differences in circumstances of sale in accordance with section 773(a)(8) of the Act and 19 CFR 351.410. For comparisons to CEP, we made circumstance-of-sale adjustments by deducting comparison market direct selling expenses from CV. *See* 19 CFR 351.410(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 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 19 CFR 351.412(c)(1), in identifying LOTs for export price (EP) and comparison-market sales (*i.e.*, NV based on either home market or third-country prices), 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 CEP profit under section 772(d) of the Act. *See Micron Technology Inc. v. United States*, 243 F.3d 1301, 1314–1315 (Fed. Cir. 2001). Where NV is based on CV, we determine the NV LOT based on the LOT of the sales from which we derive SG&A expenses, and profit for CV, where possible.

When 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. sale 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 a 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*, 62 FR at 61732–33.

In this administrative review, we obtained information from the respondent, AS Belgium, regarding the marketing stages involved in making the reported home market and U.S. sales, including a description of the selling activities performed by AS Belgium for each channel of distribution. *See* AS Belgium’s August 15, 2011, questionnaire response at pages 15–20 and Exhibit A–13. In the U.S. market, AS Belgium reported sales made through one LOT corresponding to two channels of distribution. AS Belgium

made sales to the United States by AS Belgium's affiliated trading company, Aperam USA, through AS Belgium's European affiliates, Aperam Stainless Services & Solutions International (Aperam International) and Aparam Stainless Europe S.A. (Aperam Europe). See AS Belgium's August 15, 2011, Section A Questionnaire Response at pages 13, 19 and 23. We have determined that these sales are CEP sales. AS Belgium's two U.S. channels of distribution are: (1) Direct shipment sales in which the merchandise was shipped directly from Aperam USA to the final customer; and (2) sales from inventory maintained by Aperam USA. See AS Belgium's August 15, 2011, submission at Exhibit A-11.

AS Belgium requested that a CEP offset should be made in calculating the normal value because according to AS Belgium, the selling activities in the home market are at a more advanced level of trade than the selling activities in the U.S. market. Our analysis of these selling functions performed by AS Belgium in the United States shows that the selling activities and services do not vary according to the channel of distribution. *Id.* We find that there is no variation in type or level of services provided by AS Belgium for the channels of distribution in the United States. AS Belgium provides comparable services for the two channels of distribution in the United States, which only differ based on whether the sale is shipped directly to the final customer or to Aperam USA's inventory. Therefore, based on the lack of differentiation between the type and level of activities associated with AS Belgium's sales into the two distribution channels, we preliminarily determine that there is only one LOT in the U.S. market. See Prelim Sales Calc Memo.

With respect to the home market, AS Belgium reported certain customer categories in a single channel of distribution. We examined the selling functions performed for certain customer categories and found that the selling activities and services do not vary by customer category. See Prelim Sales Calc Memo. Therefore, we preliminarily conclude that AS Belgium's sales in the home market constitute one LOT.

We analyzed the differences among the reported selling activities which demonstrated that AS Belgium's sales in the home market were at different stages in the marketing process than the U.S. sales. Finally, we compared the U.S. and home market LOTs. As a result of our comparison, we preliminarily determined that AS Belgium's home

market LOT is at a more advanced stage of distribution than the CEP LOT.

We then considered whether we could make a LOT adjustment. In this case, AS Belgium only sold at one LOT in the comparison market; therefore, there is no information available to determine a pattern of consistent price differences between the sales on which NV is based and the comparison market sales at the LOT of the export transaction, in accordance with the Department's normal methodology as described above. See 19 CFR 351.412(d). Further, we do not have record information which would allow us to examine pricing patterns based on the respondent's sales of other products, and there are no other respondents or other record information on which such an analysis could be based. Accordingly, because only one LOT exists in the home market we could not make a LOT adjustment. However, because the LOT in the comparison market is at a more advanced stage of distribution than the LOT of the CEP transactions, we made a CEP offset adjustment in accordance with section 773(a)(7)(B) of the Act and 19 CFR 351.412(f). For further explanation of our LOT analysis, see Prelim Sales Calc Memo.

#### Preliminary Results of Review

As a result of our review, we preliminarily determine that for the period May 1, 2010, through April 30, 2011, the following dumping margin exists:

| Producer/manufacturer                        | Weighted-average margin (percent) |
|--|-----------------------------------|
| Arcelor Stainless Belgium (AS Belgium) ..... | 10.46                             |

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties of this proceeding in accordance with 19 CFR 351.224(b). 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, will be held 37 days after the date of publication, or the first working day thereafter, unless the Department alters the date pursuant to 19 CFR 351.310(d). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review. See 19 CFR 351.309(c)(1)(ii). Rebuttal briefs limited to issues raised in the case briefs may be filed no later than 35 days after the date of publication. See 19 CFR 351.309(d).

Parties who submit arguments are requested to submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument. 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, within 120 days of publication of these preliminary results. See section 751(a)(3)(A) of the Act.

#### Assessment Rate

Upon completion of the 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 calculates an assessment rate for each importer of the subject merchandise for each respondent. Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (i.e., at or above 0.5 percent), the Department will issue appraisement instructions directly to CBP to assess antidumping duties on appropriate entries.

To determine whether the duty assessment rates covering the period were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), for each respondent we calculated importer (or customer)-specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to that importer or customer and dividing this amount by the total value of the sales to that importer (or customer). If AS Belgium's weighted-average dumping margin is above *de minimis* in the final results of this review, we will calculate an importer-specific *ad valorem* duty assessment rate based on the ratio of the total amount of antidumping duties calculated for the importer's examined sales to the total entered value of the sales in accordance with 19 CFR 351.212(b)(1).<sup>12</sup> Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis*, and the respondent has reported reliable entered values, we apply the assessment rate to the entered value of the importer's/customer's entries during the review period. Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis* and we do not have reliable entered values, we

<sup>12</sup> In these preliminary results, the Department applied the assessment rate calculation method adopted in *Final Modification for Reviews*, i.e., on the basis of monthly average-to-average comparisons using only the transactions associated with that importer with offsets being provided for non-dumped comparisons.

calculate a per-unit assessment rate by aggregating the dumping duties due for all U.S. sales to each importer (or customer) and dividing this amount by the total quantity sold to that importer (or customer).

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 respondent for which it did not know its merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction. For a full discussion of this clarification, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

#### Cash Deposit Requirements

To calculate the cash deposit rate for AS Belgium, we divided the total dumping margin by the total net value for AS Belgium’s sales during the POR.

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of steel plate from Belgium entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for AS Belgium will be the rate established in the final results of this review, except if the rate is less than 0.5 percent and, therefore, *de minimis*, the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent final results in which that manufacturer or exporter participated; (3) if the exporter is not a firm covered in 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 final results for the manufacturer of the merchandise; and, (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 9.86 percent, the all-others rate established in the LTFV investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) 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 increase the subsequent assessment of the antidumping duties by the amount of antidumping duties reimbursed.

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

Dated: May 23, 2012.

**Paul Piquado,**

*Assistant Secretary for Import Administration.*

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#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[A-570-601]

#### **Tapered Roller Bearings and Parts Thereof, Finished and Unfinished From the People’s Republic of China: Preliminary Results of Antidumping Duty New Shipper Review**

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

**DATES:** *Effective Date:* June 1, 2012.

**SUMMARY:** On August 1, 2011, the Department of Commerce (the “Department”) initiated a new shipper review of the antidumping duty order on Tapered Roller Bearings and Parts Thereof, Finished and Unfinished (“TRBs”) from the People’s Republic of China (“PRC”) covering sale(s) of subject merchandise produced and exported by GGB Bearing Technology (Suzhou) Co., Ltd. (“GGB”) during the period of review (“POR”) of June 1, 2010, through May 31, 2011.<sup>1</sup>

The Department preliminary determines that GGB has not made sales at less than normal value (“NV”). If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (“CBP”) to liquidate all

appropriate entries without assessing antidumping duties on those entries of subject merchandise during the POR.

**FOR FURTHER INFORMATION CONTACT:** Lori Apodaca or Jeff Pedersen, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-4551 or (202) 482-2769, respectively.

**SUPPLEMENTARY INFORMATION:** On June 15, 1987, the Department published in the **Federal Register** the antidumping duty order on TRBs from the PRC.<sup>2</sup> On June 30, 2011, the Department received a timely request for a new shipper review from GGB. On August 1, 2011, the Department initiated this new shipper review. *See Initiation Notice.* On September 7, 2011, the Department issued an antidumping duty questionnaire to GGB. Subsequently, the Department issued supplemental questionnaires to GGB. From October 2011 through February 2012, the Department received timely questionnaire and supplemental questionnaire responses from GGB.

On September 28, 2011, Import Administration’s Office of Policy issued a memorandum identifying six countries as being at a level of economic development comparable to the PRC for the instant POR. The countries identified in that memorandum are Colombia, Indonesia, the Philippines, South Africa, Thailand, and Ukraine.<sup>3</sup> On November 14, 2011, the Department released the Policy Memorandum to interested parties and provided parties with an opportunity to submit comments regarding the selection of a surrogate country in the instant review.<sup>4</sup> On November 28, 2011, the Petitioner in this proceeding, the Timken Company (“Petitioner”) provided comments on surrogate country selection and publicly-available information to value

<sup>2</sup> See *Notice of Antidumping Duty Order: Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People’s Republic of China*, 52 FR 22667 (June 15, 1987) (“*TRBs Notice of Antidumping Duty Order*”).

<sup>3</sup> See Memorandum regarding Request for a List of Surrogate Countries for New Shipper Review of the Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof, Finished and Unfinished (“TRBs”) from the People’s Republic of China (“China”), dated September 28, 2011 (“*Policy Memorandum*”).

<sup>4</sup> See Letter from Howard Smith, Program Manager, Office 4, to All Interested Parties regarding Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People’s Republic of China, New Shipper Review: Request for Surrogate Country and Surrogate Value Comments and Information, dated November 14, 2011.

<sup>1</sup> See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished From the People’s Republic of China: Initiation of Antidumping Duty New Shipper Review*, 76 FR 45777 (August 1, 2011) (“*Initiation Notice*”).