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Dated: July 12, 2012.
Kevin J. Wolf,
Assistant Secretary for Export Administration.

Attachment 1

PROPOSED SUPPLEMENT TO FISCAL YEAR 2013 ANNUAL MATERIALS PLAN

Material	Unit	Quantity	Footnote
Cadmium Zinc Tellurium (CZT) substrates	cm ²	40,000	1
Triamino Trinitrobenzene (TATB)	LB	24,000	1

¹ Vendor-owned buffer inventory material research and development project.

Attachment 2

PROPOSED REVISIONS TO FISCAL YEAR 2013 ANNUAL MATERIALS PLAN

Material	Unit	Proposed revised quantity	Approved quantity	Footnote
Germanium	kg	3,000	0	1
Manganese Metallurgical Grade	SDT	100,000	222,025	2
Platinum—Iridium	Tr Oz	568	0	1
Zinc	ST	7,992	0	2, 3

¹ Upgrade project.

² Disposal.

³ Actual quantity will be limited to remaining inventory.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-821-801]

Solid Urea From the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on solid urea from the Russian Federation. The review covers one producer/exporter of the subject merchandise, MCC EuroChem (EuroChem). The period of review (POR) is July 1, 2010, through June 30, 2011. We have preliminarily found that sales of the subject merchandise have not been made at prices below normal value.

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

not later than 120 days after the date of publication of this notice.

DATES: Effective July 18, 2012.

FOR FURTHER INFORMATION CONTACT: Dustin Ross or Minoo Hatten, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-0747 or (202) 482-1690, respectively.

SUPPLEMENTARY INFORMATION:

Background

Pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(b), the Ad Hoc Committee of Domestic Nitrogen Producers and its individual urea-producing members, CF Industries, Inc., and PCS Nitrogen Fertilizer, L.P. (collectively, the petitioners) and EuroChem requested an administrative review of the antidumping duty order on solid urea from Russia with respect to EuroChem on August 1, 2011.¹ On August 26, 2011, in accordance with 19 CFR 351.221(c)(1)(i), we published a notice of initiation of administrative review of the antidumping duty order on solid urea from the Russian

¹ See the petitioners' letter to the Department, dated August 1, 2011, at 1, and EuroChem's letter to the Department, dated August 1, 2011, at 1, respectively.

Federation.² On March 26, 2012, we extended the deadline for the preliminary results by 75 days, to June 15, 2012.³ On June 1, 2012, we extended the deadline for the preliminary results by an additional 26 days, to July 11, 2012.⁴ We are conducting the administrative review of the order in accordance with section 751(a) of the Act.

Scope of the Order

The merchandise subject to the order is solid urea, a high-nitrogen content fertilizer which is produced by reacting ammonia with carbon dioxide. The product is currently classified under the Harmonized Tariff Schedules of the United States (HTSUS) item number 3102.10.00.00. Such merchandise was classified previously under item number 480.3000 of the Tariff Schedules of the United States. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise subject to the order is dispositive.

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 76 FR 53404 (August 26, 2011).

³ See *Solid Urea From the Russian Federation: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review*, 77 FR 17410 (March 26, 2012).

⁴ See Memorandum to Gary Taverman, "Solid Urea from the Russian Federation: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review."

Fair-Value Comparisons

Pursuant to section 773(a)(1)(B)(ii) of the Act and 19 CFR 351.414(c)(1) and (d), to determine whether EuroChem's sales of solid urea from Russia were made in the United States at less than normal value, we compared the constructed export price (CEP) to the normal value as described in the "Constructed Export Price" and "Normal Value" sections of this notice. In these preliminary results, the Department applied the average-to-average comparison methodology adopted in the *Final Modification for Reviews*.⁵ In particular, the Department compared monthly, weighted-average CEPs with monthly, weighted-average normal values, and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margin.

When making this comparison in accordance with section 771(16) of the Act, we considered all products sold in the home market as described in the "Scope of the Order" section of this notice, above, that were in the ordinary course of trade for purposes of determining an appropriate product comparison to the U.S. sale. If contemporaneous sales of identical home-market merchandise, as described below, were reported, then we made comparisons to the monthly weighted-average home-market prices that were based on all such sales. If there were no contemporaneous sales of an identical merchandise, then we identified sales of the most similar merchandise that were contemporaneous with the U.S. sales in accordance with 19 CFR 351.414(e).

Product Comparisons

In accordance with section 771(16) of the Act, we compared products produced by EuroChem and sold in the U.S. and home markets on the basis of the comparison product which was either identical or most similar in terms of the physical characteristics to the product sold in the United States. In the order of importance, these physical characteristics are form, grade, nitrogen content, size, urea-formaldehyde content, other additive/conditioning agent, coating agent, and biuret content.

Date of Sale

Section 351.401(i) of the Department's regulations states that, normally, the Department will use the date of invoice, as recorded in the producer's or

exporter's records kept in the ordinary course of business, as the date of sale. The regulation provides further that the Department may use a date other than the date of the invoice if the Secretary is satisfied that a different date better reflects the date on which the material terms of sale are established. For all U.S. sales, EuroChem reported contract date as the date of sale. EuroChem defines contract date, which coincides with shipment date for all U.S. sales during the period of review, as the date on which the material terms of sale are established and no longer subject to change. EuroChem provided sample contracts for U.S. sales covered by this review, which support EuroChem's contention that price and quantity are subject to change and not finalized until the date of contract.⁶ Based on record evidence, and consistent with previous administrative reviews, all material terms of sale are established on the date of contract.⁷ Therefore, we have used contract date as reported by EuroChem as the date of sale for all U.S. sales.

With respect to its home-market sales, EuroChem reported invoice date as the date of sale, explaining that price and quantity are not finalized and are subject to change until invoicing because at the date of invoice, the product is loaded for delivery, weighed, and the exact quantity is recorded for the invoice and transportation documents.⁸ This is consistent with our regulatory presumption for invoice date as the date of sale.⁹ Thus, because the evidence does not demonstrate that the material terms of sale were established on another date, and consistent with previous reviews, we have used invoice date as the date of sale in the home market.¹⁰

Constructed Export Price

In accordance with section 772(b) of the Act, we used CEP for EuroChem because the subject merchandise was sold in the United States by a U.S. seller affiliated with the producer and export price was not otherwise indicated.

We calculated CEP based on the free-on-board or delivered price to unaffiliated purchasers in, or for exportation to, the United States. We also made deductions for any movement

expenses in accordance with section 772(c)(2)(A) of the Act. In accordance with section 772(d)(1) of the Act, we calculated the CEP by deducting selling expenses associated with economic activities occurring in the United States, which includes direct selling expenses and indirect selling expenses. Finally, we made an adjustment for profit allocated to these expenses in accordance with section 772(d)(3) of the Act.

Normal Value

A. Home Market Viability as Comparison Market

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating normal value (*i.e.*, the aggregate volume of home-market sales of the foreign like product is five percent or more of the aggregate volume of U.S. sales), we compared the volume of EuroChem's home-market sales of the foreign like product to the volume of its U.S. sales of subject merchandise, in accordance with section 773(a)(1)(C) of the Act.¹¹ Based on this comparison, we determined that EuroChem had a viable home market during the POR. Consequently, we based normal value on home-market sales to unaffiliated purchasers made in the usual quantities in the ordinary course of trade and sales made to affiliated purchasers where we find prices were made at arm's length, described in detail below.

B. Level of Trade

To the extent practicable, we determined normal value for sales at the same level of trade as the U.S. sales. When there were no sales at the same level of trade, we compared U.S. sales to home-market sales at a different level of trade. The normal-value level of trade is that of the starting-price sales in the home market. For CEP, the level of trade is that of the constructed sale from the exporter to the affiliated importer. To determine whether home-market sales are at a different level of trade than U.S. sales, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer.

In the home market, EuroChem reported a single channel of distribution. Within this single channel of distribution, EuroChem reported a

⁶ See VI-57 of EuroChem's October 27, 2011, response to the Department's questionnaire.

⁷ See *Solid Urea from the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 76 FR 66690 (October 27, 2011).

⁸ See VI-41 of EuroChem's October 27, 2011, response to the Department's questionnaire.

⁹ See 19 CFR 351.401(i).

¹⁰ See *Solid Urea from the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 76 FR 66690 (October 27, 2011).

¹¹ See Memorandum titled "2010-2011 Administrative Review of the Antidumping Duty Order on Solid Urea from the Russian Federation—Preliminary Results Analysis Memorandum for EuroChem," ("Preliminary Analysis Memorandum") dated concurrently with this notice, at 2.

⁵ 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").

single level of trade for all three customer types (*i.e.*, distributors, traders, and end-users). After analyzing the data on the record with respect to the selling functions performed for each customer type, we find that EuroChem made all home-market sales at a single marketing stage (*i.e.*, one level of trade) in the home market.¹²

In the U.S. market, EuroChem had only CEP sales through its affiliated reseller¹³ and, thus, a single level of trade.¹⁴

We found that there were significant differences between the selling activities associated with the CEP level of trade and those associated with the home-market level of trade. For example, the CEP level of trade involved little or no strategic and economic planning, personnel training, distributor/dealer training, procurement/sourcing service, packing, order input/processing and freight/delivery services.¹⁵ Therefore, we have concluded that CEP sales constitute a different level of trade from the level of trade in the home market and that the home-market level of trade is at a more advanced stage of distribution than the CEP level of trade.

We were unable to match CEP sales at the same level of trade in the home market or to make a level-of-trade adjustment because the differences in price between the CEP level of trade and the home-market level of trade cannot be quantified due to the lack of an equivalent CEP level of trade in the home market. Also, there are no other data on the record which would allow us to make a level-of-trade adjustment. Because the data available does not provide an appropriate basis on which to determine a level-of-trade adjustment and the home-market level of trade is at a more advanced stage of distribution than the CEP, we made a CEP-offset adjustment to normal value in accordance with section 773(a)(7)(B) of the Act and 19 CFR 351.412(f). The CEP offset was the sum of indirect selling expenses incurred on home-market sales up to the amount of indirect selling expenses incurred on the U.S. sales. *See* Preliminary Analysis Memorandum at 2.

C. Calculation of Normal Value Based on Comparison Market Prices

We based normal value on the starting prices to home-market customers.

¹² See VI-36 through VI-46 of EuroChem's October 27, 2011, response to the Department's questionnaire.

¹³ See IV-13 of EuroChem's November 8, 2011, response to the Department's questionnaire.

¹⁴ See section 772(b) of the Act.

¹⁵ See VI-44 to VI-45 of EuroChem's October 27, 2011, response to the Department's questionnaire.

Pursuant to section 773(a)(6)(B)(ii) of the Act, we deducted inland-freight expenses EuroChem incurred on its home-market sales. We made adjustments for differences in domestic and export packing expenses in accordance with sections 773(a)(6)(A) and 773(a)(6)(B)(i) of the Act. We made deductions for direct selling expenses, as appropriate. *See* Preliminary Analysis Memorandum at 5 through 6.

Affiliation

The Department may calculate normal value based on a sale to an affiliated party only if it is satisfied that the price to the affiliated party is comparable to the price at which sales are made to parties not affiliated with the exporter or producer, *i.e.*, sales were made at arm's-length prices.¹⁶ We excluded from our analysis home-market sales to an affiliated customer for consumption in the home market where we determined that the sales to that affiliated customer were not made at arm's-length prices. To test whether the sales to an affiliated customer were made at arm's-length prices, we compared these prices to the prices of sales of comparable merchandise to unaffiliated customers, net of all rebates, movement charges, direct selling expenses, and packing. Pursuant to 19 CFR 351.403(c) and in accordance with our practice, when the prices charged to an affiliated customer were, on average, between 98 and 102 percent of the prices charged to unaffiliated parties for merchandise comparable to that sold to the affiliated customer, we determined that the sales to that affiliated customer were at arm's-length prices.¹⁷ We exclude from our analysis all sales to an affiliated customer for consumption in the home market where we determined that these sales, on average, were not sold at arm's-length prices. *See* Preliminary Analysis Memorandum at 4.

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

As a result of this review, we preliminarily determine that a dumping margin of 0.00 percent exists for EuroChem for the period July 1, 2010, through June 30, 2011.

¹⁶ See 19 CFR 351.403(c).

¹⁷ *See Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186 (November 15, 2002).

Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with these preliminary results within five days of the date of publication of this notice.¹⁸ Pursuant to 19 CFR 351.309(c), interested parties may submit cases briefs not later than the later of 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.¹⁹ 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.²⁰ Case and rebuttal briefs should be filed using Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS).²¹

Pursuant to 19 CFR 351.310(c), 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, filed electronically via IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice.²² 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. 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 the 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 issuance of the final results, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. EuroChem reported the name of the importer of record and the entered value for all of its sales to the United States during the POR. If EuroChem's weighted-average dumping margin is

¹⁸ See 19 CFR 351.224(b).

¹⁹ See 19 CFR 351.309(d).

²⁰ See 19 CFR 351.309(c)(2) and (d)(2).

²¹ See 19 CFR 351.303.

²² See 19 CFR 351.310(c).

above *de minimis* (i.e., 0.50 percent) in the final results of this review, we will calculate an importer-specific assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales and the total entered value of those sales in accordance with 19 CFR 351.212(b)(1).

The Department clarified its "automatic assessment" regulation on May 6, 2003. This clarification will apply to entries of subject merchandise during the POR produced by EuroChem 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).

We intend to issue instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of solid urea from the Russian Federation entered, or withdrawn from warehouse, for consumption on or after the date of publication as provided by section 751(a)(2) of the Act: (1) The cash deposit rate for EuroChem will be the rate established in the final results of this administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in a prior segment of the proceeding, 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 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; (4) the cash deposit rate for all other manufacturers or exporters will continue to be 64.93 percent, the all-others rate established in *Urea From the Union of Soviet Socialist Republics; Final Determination of Sales at Less Than Fair Value*, 52 FR 19557 (May 26, 1987). These cash deposit 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)(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 the subsequent assessment of double antidumping duties.

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

Dated: July 11, 2012.

Ronald K. Lorentzen,

Acting Assistant Secretary for Import Administration.

[FR Doc. 2012-17518 Filed 7-17-12; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-827]

Certain Cased Pencils From the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review, and Intent To Revoke Order in Part

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

SUMMARY: In accordance with section 751(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(b), ThinkGeek, Inc. (ThinkGeek) filed a request for a changed circumstances review of the antidumping duty (AD) order on certain cased pencils (pencils) from the People's Republic of China (PRC) to revoke the AD order with respect to novelty drumstick pencils. The domestic industry has affirmatively expressed a lack of interest in continuing the AD order with respect to this product. In response to ThinkGeek's request, the Department of Commerce (the Department) is initiating a changed circumstances review to be conducted on an expedited basis and issuing a notice of preliminary intent to revoke, in part, this order. Pursuant to ThinkGeek's request, this partial revocation would be applied retroactively to June 1, 2011. Interested parties are invited to comment on these preliminary results.

DATES: *Effective Date:* June 1, 2011.

FOR FURTHER INFORMATION CONTACT:

Elizabeth Gorman at (202) 482-1174 or Yasmin Nair at (202) 482-3813; AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

Background

On December 28, 1994, the Department published in the *Federal Register* the AD order on certain cased pencils from China. See *Antidumping Duty Order: Certain Cased Pencils from the People's Republic of China*, 59 FR 66909 (December 28, 1994) (AD order). On May 23, 2012, in accordance with section 751(b) and 751(d)(1) of the Act, 19 CFR 351.216(b), and 19 CFR 351.222(g)(1), ThinkGeek, a U.S. importer of subject merchandise, requested revocation in part, of the AD order with respect to its novelty pencil, which is shaped like a drumstick, as part of a changed circumstances review. ThinkGeek's novelty drumstick pencil is made to look like a pencil, except that it is shaped as a drumstick. This pencil is longer than regular wooden pencils and does not contain an eraser. ThinkGeek requested that the Department conduct the changed circumstances review on an expedited basis pursuant to 19 CFR 351.221(c)(3)(ii).

Scope of the Order

Imports covered by this order are shipments of certain cased pencils of any shape or dimension (except as described below) which are writing and/or drawing instruments that feature cores of graphite or other materials, encased in wood and/or man-made materials, whether or not decorated and whether or not tipped (e.g., with erasers, etc.) in any fashion, and either sharpened or unsharpened. The pencils subject to the order are currently classifiable under subheading 9609.10.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Specifically excluded from the scope of the order are mechanical pencils, cosmetic pencils, pens, non-cased crayons (wax), pastels, charcoals, chalks, and pencils produced under U.S. patent number 6,217,242, from paper infused with scents by the means covered in the above-referenced patent, thereby having odors distinct from those that may emanate from pencils lacking the scent infusion. Also excluded from the scope of the order are pencils with all of the following physical characteristics: (1) *Length:* 13.5 or more inches; (2) *sheath diameter:* not less than one-and-one quarter inches at any