

approval of this information collection; they also will become a matter of public record.

Dated: December 2, 2003.

Madeleine Clayton,

Management Analyst, Office of the Chief Information Officer.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-809]

Notice of Preliminary Results of Antidumping Duty Administrative Review: Circular Welded Non-Alloy Steel Pipe from the Republic of Korea

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

ACTION: Notice of Preliminary Results of Sales at Less Than Fair Value.

SUMMARY: In response to requests from interested parties, the Department of Commerce is conducting an administrative review of the antidumping duty order on circular welded non-alloy steel pipe from the Republic of Korea with respect to Husteel Corporation, Ltd.; Hyundai HYSCO; and SeAH Steel Corporation Ltd. This review covers entries of circular welded non-alloy steel pipe into the United States during the period November 1, 2001, through October 31, 2002.

We preliminarily find that, during the period of review, sales of certain circular non-alloy steel pipe from Korea were made below normal value. If the preliminary results are adopted in the final results of this administrative review, we will instruct the U.S. Customs and Border Protection ("CBP") to assess antidumping duties. We invite interested parties to comment on these preliminary results. We will issue the final results not later than 120 days from the date of publication of this notice.

EFFECTIVE DATE: December 8, 2003.

FOR FURTHER INFORMATION CONTACT: Julie Santoboni, Scott Holland or Andrew McAllister, Group I, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-4194, (202) 482-1279 or (202) 482-1174, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 2, 1992, the Department of Commerce ("the Department") published an antidumping duty order on circular welded non-alloy steel pipe ("pipe") from Korea. (See 57 FR 49453). On November 1, 2002, the Department of Commerce ("the Department") published a notice in the **Federal Register** of the opportunity for interested parties to request an administrative review of the antidumping duty order on pipe from Korea. See *Notice of Opportunity to Request Administrative Review of Antidumping or Countervailing Duty Order, Finding or Suspend Investigation*, 67 FR 66612 (November 1, 2002). In November 2002, the Department received timely requests for review from Allied Tube and Conduit Corporation and Wheatland Tube Company (collectively, "petitioners") and from Husteel Co. Ltd. ("Husteel"), a Korean exporter/producer of the subject merchandise.

In accordance with 19 CFR 351.221(b)(1), we published a notice of initiation of this antidumping duty administrative review on December 26, 2002, with respect to Husteel, Hyundai HYSCO ("HYSCO"), and SeAH Steel Corporation, Ltd. ("SeAH") (collectively, the "respondents"). See *Notice of Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 67 FR 78772 (December 26, 2002). The period of review ("POR") is November 1, 2001 through October 31, 2002.

On January 6, 2003, the Department issued antidumping duty questionnaires to the respondents. We notified the respondents that they must respond to sections A, B, C and D of the antidumping duty questionnaire.

On January 21, 2003, Husteel and SeAH requested that they be allowed to report their respective cost data on a fiscal-year basis rather than reporting costs for the POR. On January 30, 2003, we requested that the respondents demonstrate that the use of fiscal-year cost reporting would not be distortive. We received information from the respondents on the difference between fiscal-year and POR-based cost reporting on February 11, 2003. On February 24, 2003, we granted the requests and allowed Husteel and SeAH to report their costs for the 2002 fiscal year rather than the POR.

On January 27, 2003, the petitioners requested that the Department conduct verifications of the respondents' questionnaire responses. We received questionnaire responses from all of the respondents in February and March

2003. We issued supplemental questionnaires covering sections A through D to the respondents in May and June 2003, and received responses in June and July 2003. The petitioners submitted comments on the responses in March and July 2003. We received rebuttal comments from HYSCO on July 28, 2003.

On June 6, 2003, we published an extension of the time limit for the completion of the preliminary results of this review to no later than November 30, 2003, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act"). See *Certain Circular Welded Non-Alloy Steel Pipe From Korea: Notice of Extension of Time Limit for 2001-2002 Administrative Review*, 68 FR 33911 (June 6, 2003). The Department verified the sales and cost responses for each of the respondents during September through November 2003.

On November 10, 2003 the petitioners argued certain information submitted by HYSCO at the CEP sales verification constituted new information and should be rejected by the Department.

Scope of the Order

The merchandise subject to this review is circular welded non-alloy steel pipe and tube, of circular cross-section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and as support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and other related industries. Unfinished conduit pipe is also included in this order.

All carbon-steel pipes and tubes within the physical description outlined above are included within the scope of this review except line pipe, oil-country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. In accordance with the Department's *Final Negative Determination of Scope Inquiry on Certain Circular Welded Non-Alloy Steel Pipe and Tube from Brazil*, the

Republic of Korea, Mexico, and Venezuela, 61 FR 11608 (March 21, 1996), pipe certified to the API 5L line-pipe specification and pipe certified to both the API 5L line-pipe specifications and the less-stringent ASTM A-53 standard-pipe specifications, which falls within the physical parameters as outlined above, and entered as line pipe of a kind used for oil and gas pipelines is outside of the scope of the antidumping duty order.

Imports of these products are currently classifiable under the following *Harmonized Tariff Schedule of the United States* ("HTSUS") subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. Although the HTSUS subheadings are provided for convenience and CBP purposes, our written description of the scope of this proceeding is dispositive.

Verification

As provided in section 782(i) of the Act, during September through November 2003, we verified the information provided by the respondents in Korea and at the U.S. sales facilities using standard verification procedures, including on-site inspection of the manufacturers' facilities, examination of relevant sales, cost and financial records, and selection of original documentation containing relevant information. The Department reported its findings from the SeAH sales and cost verifications conducted in Korea on November 25, 2003. See Memorandum to the File, "Verification of the Sales and Cost Response of SeAH Steel Corporation Ltd.," dated November 25, 2003 ("SeAH Sales and Cost Verification Report"), which is on file in the CRU. The SeAH CEP verification report and the verification reports for Husteel and HYSCO will be released at a later date.

Fair Value Comparisons

To determine whether sales of circular welded non-alloy steel pipe to the United States were made at less than normal value ("NV"), we compared export price ("EP") or constructed export price ("CEP") to NV, as described in the "Export Price and Constructed Export Price" and "Normal Value" sections of this notice. In accordance with 19 CFR 351.414(c)(2), we compared individual EPs and CEPs to weighted-average NVs, which were calculated in accordance with section 777A(d)(2) of the Act.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced and sold by the respondents in the home market during the POR that fit the description in the "Scope of the Order" section of this notice to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales of identical merchandise in the home market made in the ordinary course of trade, where possible. Where there were no sales of identical merchandise in the home market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. To determine the appropriate product comparisons, we considered the following physical characteristics of the products in order of importance: grade, nominal pipe size, wall thickness, surface finish and end finish.

Export Price and Constructed Export Price

We calculated EP in accordance with section 772(a) of the Act for those sales where the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation by the exporter or producer outside the United States and the constructed export price methodology was not otherwise indicated. Husteel and HYSCO made EP sales during the POR. We based EP on either FOB or CNF (duty-paid) prices to unaffiliated purchasers in the United States. We identified the correct starting price by adjusting the reported gross unit price, where applicable, for billing adjustments. We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These deductions included, where appropriate, domestic inland freight, brokerage and handling, international freight, marine insurance, U.S. customs duties, U.S. inland freight, and other U.S. transportation expenses.

In accordance with section 772(b) of the Act, we calculated CEP for those sales to the first unaffiliated purchaser that took place after importation into the United States. We based CEP on packed CIF and CNF duty-paid prices to unaffiliated purchasers in the United States. We identified the correct starting price by adjusting the reported gross unit price, where applicable, for billing adjustments and early payment discounts. We made deductions from the starting price for movement expenses, including domestic inland

freight, foreign and U.S. brokerage and handling, international freight, marine insurance, U.S. customs duties, and other transportation expenses, where appropriate, in accordance with section 772(c)(2)(A) of the Act. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct and indirect selling expenses, commissions and warranty expenses. We made an adjustment for profit in accordance with section 772(d)(3) of the Act.

We increased EP and CEP, where appropriate, for duty drawback in accordance with section 772(c)(1)(B) of the Act. There are two systems in place in Korea through which Korean companies can claim duty drawback: the individual-rate system or the fixed-rate system (*i.e.*, the simplified fixed drawback system). In prior investigations and administrative reviews, the Department has examined the individual-rate system and found that the government controls in place enable the Department to examine the criteria under this system for receiving a duty drawback adjustment (*i.e.*, that 1) the rebates received were directly linked to import duties paid on inputs used in the manufacture of the subject merchandise, and 2) there were sufficient imports to account for the rebates received). See *Final Results of Antidumping Duty Administrative Review and Partial Termination of Administrative Review: Circular Welded Non-Alloy Steel Pipe From the Republic of Korea*, 62 FR 55574, 55577 (October 27, 1997) and *Certain Polyester Staple Fiber from Korea: Final Results of Antidumping Duty Administrative Review*, 68 FR 59366 (October 15, 2003). Husteel, HYSCO, and SeAH each provided documentation demonstrating that it received duty drawback under the individual-rate system. We examined this documentation and confirmed that each of the companies met the Department's two-prong test for receiving a duty drawback adjustment. Accordingly, we are allowing the full duty drawback adjustment on all of Husteel's, HYSCO's, and SeAH's U.S. sales.

Consistent with the preceding review, we have used the purchase order date as the date of sale for most U.S. transactions. While each company has a slightly different U.S. sales process, consistent throughout the responses is the notion that price and quantity are established, then the factory produces the subject merchandise, and finally, after a significant period of time, the product is shipped and an invoice

issued. Based on this understanding of the respondents' U.S. sales process, for the respondents' CEP non-consignment sales, we have used as date of sale the purchase order date, which reasonably approximates the time at which the material terms of sale are set. For CEP consignment sales and for EP sales, the invoice date has been used as the date of sale.

We have considered the petitioners' argument that certain information submitted by HYSCO at the CEP sales verification constituted new information and should be rejected by the Department. We find that the revised sales data submitted by HYSCO at verification constitutes minor corrections to existing sales information already on the record in this proceeding and does not constitute new information. Accordingly, we have used the revised data bases in the calculation of our preliminary results.

To calculate the EP and CEP, we relied upon the data submitted by the respondents, except where noted below:

SeAH

We made certain minor adjustments to SeAH's submitted sales information based on information found at verification. See SeAH Verification Report and Memorandum from Team to the File, "Preliminary Results Calculation Memorandum for SeAH Steel Corporation Ltd.," dated November 26, 2003 ("SeAH Calculation Memorandum").

Section 201 Duties

The Department notes that merchandise subject to this review is subject to duties imposed under section 201 of the Act ("section 201 duties"). Because the Department has not previously addressed the appropriateness of deducting section 201 duties from export price and constructed export price, on September 9, 2003, the Department published a request for public comments on this issue. See *Antidumping Proceedings: Treatment of Section 201 Duties and Countervailing Duties*, 68 FR 53104 (September 9, 2003). The Department is currently considering these comments. Since the Department has not yet made a determination on this issue, for purposes of these preliminary results, no adjustment has been made.

Normal Value

A. Home Market Viability

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared each

respondent's volume of home market sales of the foreign like product to the volume of its U.S. sales of the subject merchandise. Pursuant to sections 773(a)(1)(B) and (C) of the Act, because each respondent's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined that the home market was viable for all producers.

HYSCO and SeAH reported sales in the home market of "overrun" merchandise (*i.e.*, sales of a greater quantity of pipe than the customer ordered due to overproduction). HYSCO claimed that we should disregard "overrun" sales in the home market as outside the ordinary course of trade.

Section 773(a)(1)(B) of the Act provides that normal value shall be based on the price at which the foreign like product is sold in usual commercial quantities and in the ordinary course of trade. Ordinary course of trade is defined in section 771(15) of the Act. We analyzed the following criteria to determine whether "overrun" sales differ from other sales of commercial pipe: (1) ratio of overrun sales to total home market sales; (2) number of overrun customers compared to total number of home market customers; (3) average price of an overrun sale compared to average price of a commercial sale; (4) profitability of overrun sales compared to profitability of commercial sales; and (5) average quantity of an overrun sale compared to the average quantity of a commercial sale. See *Circular Welded Non-Alloy Steel Pipe from the Republic of Korea; Preliminary Results and Rescission in Part of Antidumping Administrative Review*, 65 FR 76218, 76221 (December 6, 2000). Based on our analysis of these criteria and on an analysis of the terms of sale, we found overrun sales made by SeAH and HYSCO to be outside the ordinary course of trade. This analysis is consistent with our treatment of such sales in prior reviews of this proceeding. See Memoranda from Team to the File, "Preliminary Results Calculation Memorandum for Hyundai HYSCO," dated November 26, 2003 and *SeAH Calculation Memorandum*.

B. Arm's Length Test

HYSCO and SeAH made sales in the home market to affiliated and unaffiliated customers. Home market sales made to affiliated customers were either for consumption or further processing into non-subject merchandise. To test whether the sales to affiliates were made at arm's length prices, we compared the starting prices

of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, discounts, and packing. Where the price to the affiliated party was, on average, within a range of 98 to 102 percent of the price of the same or comparable merchandise to the unaffiliated parties, we determined that the sales made to the affiliated party were at arm's length. See *Modification Concerning Affiliated Party Sales in the Comparison Market*, 67 FR 69186 (November 15, 2002). In accordance with the Department's practice, we only included in our margin analysis those sales to affiliated parties that were made at arm's length.

C. Cost of Production Analysis

Because we disregarded sales below the cost of production ("COP") in the last completed review for Husteel, HYSCO, and SeAH (see *Circular Welded Non-Alloy Steel Pipe from the Republic of Korea; Final Results of Antidumping Administrative Review*, 66 FR 18747 (April 11, 2001)), we had reasonable grounds to believe or suspect that sales of the foreign product under consideration for the determination of NV in this review for all respondents may have been made at prices below the COP, as provided by section 773(b)(2)(A)(ii) of the Act. Therefore, pursuant to section 773(b)(1) of the Act, we requested that the respondents respond to section D, the cost of production/constructed value section of the questionnaire.

We conducted the COP analysis described below.

1. Calculation of COP

Before making any comparisons to NV, we conducted a COP analysis, pursuant to section 773(b) of the Act, to determine whether the respondents' comparison market sales were made below the COP. We calculated the COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for general and administrative expenses and packing, in accordance with section 773(b)(3) of the Act.

We allowed SeAH and Husteel to report their costs on a fiscal-year basis because their fiscal years were closely aligned with the POR (November-October POR vs. January-December fiscal year), the differences in costs were minimal, and there was no other indication that the use of fiscal-year data would be distortive. See February 12, 2003 letter from Judith Wey Rudman to Donald Cameron regarding the cost reporting period.

We relied on the respondents' information as submitted, except for one

minor adjustment to SeAH's production quantities for certain products. *See SeAH Calculation Memorandum.*

2. Test of Comparison Market Prices

On a product-specific basis, we compared the adjusted weighted-average COP to the home market sales of the foreign like product during the POR, as required under section 773(b) of the Act, in order to determine whether sales had been made at prices below the COP. The prices were exclusive of any applicable movement charges, billing adjustments, discounts, commissions, warranties and indirect selling expenses. In determining whether to disregard home market sales made at prices below the COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether such sales were made (1) within an extended period of time in substantial quantities and (2) at prices which did not permit the recovery of costs within a reasonable period of time.

3. Results of COP Test

Pursuant to section 773(b)(1)(C)(i) of the Act, where less than 20 percent of a respondent's sales of a given product were made at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the 12-month period were at prices less than the COP, we determined such sales to have been made in "substantial quantities" within an extended period of time in accordance with section 773(b)(1)(A) of the Act. In such cases, we also determined that such below-cost 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)(1)(B) of the Act.

We found that for each of the respondents, for certain specific products, more than 20 percent of the home market sales within an extended period of time were at prices less than the COP and, in addition, such sales did not provide for the recovery of costs within a reasonable period of time. We therefore excluded these sales and used the remaining sales, if any, as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

D. Calculation of Normal Value Based on Comparison Market Prices

We calculated NV based on ex-factory, FOB, or delivered prices to affiliated or unaffiliated customers in the home market. We identified the

starting price and made adjustments for early payment and other discounts, where appropriate. In accordance with section 773(a)(6)(B)(ii) of the Act, we made deductions for inland freight and warehousing. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 for differences in circumstances of sale for imputed credit expenses.

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)(C)(ii) of the Act and 19 CFR 351.411. We based this adjustment on the difference in the variable cost of manufacturing for the foreign like product and subject merchandise, using POR-average costs.

We also made adjustments, where applicable, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred on home market or U.S. sales where commissions were granted on sales in one market but not in the other (the commission offset). Specifically, where commissions are incurred in one market, but not in the other, we make an allowance for the indirect selling expenses in the other market up to the amount of the commissions.

For HYSCO we also adjusted the reported credit expenses for certain home market sales. *See Memorandum from Team to the File, "Preliminary Results Calculation Memorandum for Hyundai HYSCO" dated November 26, 2003 ("HYSCO Calculation Memorandum").*

E. Level of Trade (LOT)

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. *Id.*; *see also Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997). 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"),¹ including selling

functions,² class of customer ("customer category"), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying levels of trade for EP and comparison market sales (*i.e.*, NV based on either home market or third country prices³), we consider the starting prices before any adjustments. For CEP sales, we consider only the selling expenses reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. *See Micron Technology, Inc. v. United States*, 243 F.3d 1301, 1314–1315 (Fed. Cir. 2001).

When the Department is unable to match U.S. sales to 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 an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if an NV LOT is more remote from the factory than the CEP LOT and we are unable to make a level of trade adjustment, the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. *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 (November 19, 1997).

We obtained information from each respondent regarding the marketing stages involved in making the reported home market and U.S. sales, including a description of the selling activities performed by the respondents for each channel of distribution. Company-specific LOT findings are summarized below:

1. SeAH

SeAH reported two channels of distribution in the home market: (1) sales made by SeAH (channel 1); and (2)

to the sale to the final user or customer. The chain of distribution between the two may have many or few links, and the respondents' sales occur somewhere along this chain. In performing this evaluation, we considered each respondent's narrative response to properly determine where in the chain of distribution the sale occurs.

² Selling functions associated with a particular chain of distribution help us to evaluate the level(s) of trade in a particular market. For purposes of these preliminary results, we have organized the common selling functions into four major categories: sales process and marketing support, freight and delivery, inventory and warehousing, and quality assurance/warranty services.

³ Where NV is based on CV, we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, G&A and profit for CV, where possible.

¹ The marketing process in the United States and home market begins with the producer and extends

sales made by SeAH's affiliates, HSC and SSP (channel 2). Both of these channels serviced all customer types (*i.e.*, affiliated and unaffiliated service centers and end users). We examined these channels and found that they were similar with respect to sales process, freight services, and warehouse/inventory maintenance, advertising activities, technical service and warranty service, and, therefore, constituted one level of trade.

In the U.S. market, SeAH made CEP sales through two channels of distribution; (1) back-to-back transactions (channel 1); and (2) consignment sales (channel 2). The CEP selling activities differ from the home market selling activities only with respect to warranty services. Therefore, we find that the CEP level of trade is similar to the home market level of trade and a level of trade adjustment is not necessary. *See* section 773(a)(7)(A) of the Act.

2. Husteel

Husteel reported that it sells to distributors and end users in the home market, and to U.S. distributors and to an unaffiliated trading company for sale to the United States. Husteel reported a single level of trade in the home market and has not requested a LOT adjustment. We examined the information reported by Husteel and found that home market sales to both customer categories were identical with respect to sales process, freight services, warehouse/inventory maintenance, advertising activities, technical service, and warranty service. Accordingly, we preliminarily find that Husteel had only one LOT for its home market sales.

Husteel states that it is not claiming a LOT adjustment because it has no home market sales that are at the same LOT as that of its CEP sales, and therefore, it cannot quantify an LOT adjustment. Husteel claims that a CEP offset is warranted. For its CEP sales, Husteel reported a single level of trade and channel of distribution. The CEP selling activities differ from the home market selling activities only with respect to freight, delivery, and warranty service. Therefore, we find that the CEP LOT is similar to the home market LOT and a level-of-trade adjustment or CEP offset is not necessary. *See* section 773(a)(7)(A) of the Act.

3. HYSCO

In the home market, Hysco made sales to three customer categories: end-users; distributors; and government agencies. Sales to these customer categories were made through a single channel of

distribution (*i.e.*, sales from the manufacturer directly to the customer). The selling functions to each of the three customer categories were similar with respect to sales process, freight services, warehouse/inventory maintenance, advertising activities, technical service, and warranty service. Accordingly, we preliminarily find that HYSCO had one LOT for its home market sales.

Hysco made both EP and CEP sales to the United States during the POR. Both the EP and CEP sales were made through the same channel of distribution (*i.e.*, sales from the manufacturer directly to the customer). The EP and CEP selling activities do not differ from the home market selling activities. Therefore, we find that the U.S. level of trade is similar to the home market level of trade and a level of trade adjustment is not necessary. *See* section 773(a)(7)(A) of the Act.

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as reported by the Federal Reserve Bank.

Preliminary Results of the Review

As a result of our review, we preliminarily find that the following percentage weighted-average margins exist for the period November 1, 2001, through October 31, 2002:

Manufacturer/Exporter	Margin
HYSCO	0.94%
Husteel	1.77%
SeAH	0.66%

Assessment Rates

Pursuant to 19 CFR 351.212(b), 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 appraisal 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)(1), for each respondent we calculate 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). Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis*, we calculate a per unit assessment rate by aggregating the dumping margins calculated for all U.S. sales to that importer (or customer) and dividing this amount by the total quantity sold to that importer (or customer).

All other entries of the subject merchandise during the POR will be liquidated at the antidumping duty rate in place at the time of entry.

The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of the final results of this review.

Cash Deposit Rates

The following deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of pipe from Korea entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) the cash deposit rates for the reviewed companies will be the rates listed above (except no cash deposit will be required if a company's weighted-average margin is *de minimis*, *i.e.*, less than 0.5 percent); (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 period; (3) if the exporter is not a firm covered in this review, the previous 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; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous reviews, the cash deposit rate shall be 4.80 percent, the "all others" rate established in the LTFV investigation. *See Notice of Antidumping Orders: Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea (Korea), Mexico, and Venezuela, and Amendment to Final Determination of Sales at Less Than Fair Value: Certain Circular Welded Non-Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992).

These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Public Comment

Any interested party may request a hearing within 30 days of publication of this notice. A hearing, if requested, will

be held 37 days after the publication of this notice, or the first business day thereafter. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication of this notice. 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, within 120 days of publication of the preliminary results.

Notification to Importers

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

This administrative review and notice are in accordance with sections 751(a)(1) and 777(I)(1) of the Act.

Dated: December 1, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-549-817]

Certain Hot-Rolled Carbon Steel Flat Products From Thailand: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review

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

EFFECTIVE DATE: December 8, 2003.

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SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on certain hot-

rolled carbon steel flat products from Thailand ("hot-rolled steel") manufactured/exported by Sahaviriya Steel Industries Public Company Limited ("SSI"). The period of review ("POR") covers the period May 3, 2001, through October 31, 2002. We have preliminarily determined that SSI did not make sales of the subject merchandise at less than normal value ("NV") (*i.e.*, they made sales at zero or *de minimis* dumping margins). If these preliminary results are adopted in the final results of this administrative review, we will instruct the U.S. Customs and Border Protection ("CBP") to liquidate appropriate entries without regard to antidumping duties. We invite interested parties to comment on these preliminary results. We request parties who submit argument in these proceedings to submit with the argument (1) a statement of the issues and (2) a brief summary of the argument.

SUPPLEMENTARY INFORMATION:

Background

On November 29, 2001, the Department published the antidumping duty order on hot-rolled steel (*see Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From Thailand*, 66 FR 59562) ("HRC Order"). On November 1, 2002, the Department published a notice of opportunity to request an administrative review for this order covering the period May 3, 2001, through October 31, 2002 (*see Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 67 FR 66612). On November 27, 2002, SSI requested a review in accordance with 19 CFR 351.213(b)(2) of the Department's regulations, and the petitioners requested reviews of SSI, Nakornthai Strip Mill Public Co., Ltd. ("Nakornthai"), and Siam Strip Mill Public Co., Ltd. ("Siam Strip") under 19 CFR 351.213(b)(1) of the Department's regulations. The petitioners are Nucor Corporation, National Steel Corporation, and United States Steel Corporation. On November 29, 2002, Siam Strip submitted a letter to the Department stating that they did not sell, ship, or export subject merchandise to the United States during the POR. The Department initiated these reviews on December 26, 2002 (*see Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 67 FR 78772).

On January 6, 2003, the Department issued the antidumping duty questionnaire to SSI, Nakornthai, and Siam Strip. On January 10, 2003,

petitioners filed a letter requesting that the Department verify the questionnaire responses filed by SSI, Nakornthai, and Siam Strip. On February 19, 2003, SSI filed its section A response. On February 26, 2003, SSI filed its sections B and C responses and on March 5, 2003, SSI filed its section D response. Petitioners filed comments on SSI's section A through D responses on the following dates: March 6, 2003, for section A; March 12, 2003, for sections B and C; and March 20, 2003 for section D. On March 20, 2003, and May 12, 2003, SSI filed comments in response to petitioners' comments. SSI filed its supplemental responses on the following dates: April 15, 2003, for supplemental section A, April 22, 2003, for supplemental section D, and April 15, 2003, for supplemental sections B and C. Petitioners filed additional comments on SSI's supplemental sections A through C responses on April 24, 2003, and May 7, 2003. On May 7, 2003, SSI submitted minor corrections to the data provided in its questionnaire responses. Petitioners filed cost verification comments on May 12, 2003, and May 14, 2003, and sales verification comments on June 10, 2003. SSI filed its third supplemental response with the Department on May 22, 2003. On July 7, 2003, the Department extended the deadline for the preliminary results of this administrative review to no later than December 1, 2003 (*see Notice of Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review: Certain Hot-Rolled Carbon Steel Flat Products from Thailand*, 68 FR 40243). On October 6, 2003, SSI submitted additional minor corrections to the data provided in its questionnaire responses. As requested, on October 14, 2003, SSI submitted a revised version of its COP/CV database and a revised sales data base on November 18, 2003.

Partial Rescission

On January 22, 2002, Nakornthai submitted a statement that it had no sales to the United States during the POR. On January 24, 2002, Siam Strip submitted a similar statement. The Department conducted a query of CBP data on entries of hot-rolled steel from Thailand made during the POR, and confirmed that these companies made no entries during this period. Therefore, we preliminarily determine to rescind these reviews with respect to Nakornthai and Siam Strip in accordance with section 351.213 (d)(3) of the Department's regulations.