intermediates, including Theo-Dur®, K–Dur®, Uni-Dur®, Normodayne/Labetalol®, Eulexin®, Claritin®, and Rebetol®. Foreign-sourced materials will account for some 40–50 percent of finished product value, and include items from the following general categories: chemically pure sugars, empty capsules for pharmaceutical use, protein concentrates, natural magnesium phosphates and carbonates, gypsum, anhydrite and plasters, petroleum jelly, paraffin and waxes, sulfuric acid, other inorganic acids or compounds of nonmetals, ammonia, zinc oxide, titanium oxides, fluorides, chlorates, sulfates, salts of oxometallic acids, radioactive chemical elements, compounds of rare earth metals, acyclic hydrocarbons, derivatives of phenols or peroxides, acetals and hemiacetals, phosphoric esters and their salts, diazo-compounds, glands for therapeutic uses, wadding, gauze and bandages, pharmaceutical glaze, hair preparations, lubricating preparations, albumins, prepared glues and adhesives, catalytic preparations, diagnostic or laboratory reagents, prepared binders, acrylic polymers, self-adhesive plates and sheets, other articles of vulcanized rubber, plastic cases, cartons, boxes, printed books, brochures and similar printed matter, carboys, bottles, and flasks, stoppers, caps, and lids, aluminum foil, tin plates and sheets, taps, cocks and valves, and medical instruments and appliances.

Zone procedures would exempt Schering-Plough from Customs duty payments on foreign materials used in production for export. Some 30–35 percent of the plant's shipments are exported. On domestic sales, the company would be able to choose the duty rates that apply to the finished products and intermediates (primarily duty-free) rather than the duty rates that would otherwise apply to the foreign-sourced materials noted above (duty-free to 20.0 percent). At the outset, zone savings would primarily involve choosing the finished product duty rate on a cholesterol absorption inhibitor, (HTSUS 3004.90.9060–duty-free), rather than the rate for a foreign-sourced active ingredient (bulk ezetimibe, HTSUS 2933.79.0800–7.9%). The application indicates that the savings from zone procedures will help improve the plant's international competitiveness.

In accordance with the Board's regulations, a member of the FTZ Staff has been designated examiner to investigate the application and report to the Board.

Public comment is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at one of the following addresses:

1. Submissions Via Express/Package Delivery Services: Foreign-Trade-Zones Board, U.S. Department of Commerce, Franklin Court Building—Suite 4100W, 1099 14th St. NW, Washington, DC 20005; or

2. Submissions Via the U.S. Postal Service: Foreign-Trade-Zones Board, U.S. Department of Commerce, FCB–Suite 4100W, 1401 Constitution Ave. NW., Washington, DC 20230.

The closing period for their receipt is March 18, 2002. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period (to April 2, 2002).

A copy of the application and accompanying exhibits will be available for public inspection at the Office of the Foreign-Trade Zones Board's Executive Secretary at address Number 1 listed above, and at the U.S. Department of Commerce Export Assistance Center, 525 F.D. Roosevelt Ave., Suite 905, San Juan, PR 00918.

Dated: January 10, 2002.

Dennis Puccinelli,

Executive Secretary.

[FR Doc. 02–1271 Filed 1–16–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–427–801, A–428–801, A–475–801, A–588–804, A–412–801]

Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom; Notice of Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Reviews

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

ACTION: Notice of extension of time limits for preliminary results of antidumping duty administrative reviews.

SUMMARY: The Department of Commerce is extending the time limits for the preliminary results of the antidumping administrative review.

EFFECTIVE DATE: January 17, 2002.

FOR FURTHER INFORMATION CONTACT: Mark Ross, AD/CVD Enforcement 3, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 482–4794.

The Applicable Statute

Unless otherwise indicated, all citations made to the Tariff Act of 1930, as amended(the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments by the Uruguay Round Agreements Act.

Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Reviews

The Department has received requests to conduct administrative reviews of the antidumping duty orders on antifriction bearings (other than tapered roller bearings) and parts thereof from France, Germany, Italy, Japan, and the United Kingdom. On June 19, 2001, the Department initiated these administrative reviews covering the period May 1, 2000, through April 30, 2001. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocations in Part,* 66 FR 32934, June 19, 2001.

Because of the complexity of certain issues in each review and the large number of respondents in each review, it is not practicable to complete these reviews within the time limits mandated by section 751(a)(3)(A) of the Act. Therefore, in accordance with that section, the Department is extending the time limit for the preliminary results of these administrative reviews until April 1, 2002.

Dated: January 10, 2002.

Susan H. Kuhbach,

Deputy Assistant Secretary, Acting, for AD/CVD Enforcement I.

[FR Doc. 02–1270 Filed 1–16–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–827]

Certain Cased Pencils From the People's Republic of China; Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results and rescission in part of antidumping duty administrative review of certain cased pencils from the People's Republic of China.

SUMMARY: The Department of Commerce (the Department) has preliminarily determined that sales by the respondents in this review, covering the

period December 1, 1999, through November 30, 2000, have been made below normal value (NV). In addition, we are preliminarily rescinding this review with respect to Three Star Stationery Industry Co., Ltd. (Three Star) and Guangdong Provincial Stationary & Sporting Goods Import and Export Corporation (GSSG). If these preliminary results are adopted in the final results of this review, we will instruct the U.S. Customs Service (Customs) to assess antidumping duties on all appropriate entries. The Department invites interested parties to comment on these preliminary results.

EFFECTIVE DATE: January 17, 2002.

FOR FURTHER INFORMATION CONTACT: Michele Mire, Crystal Crittenden, or Paul Stolz, AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482–4711, (202) 482–0989, and (202) 482–4474, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended, (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR part 351 (2000).

Period of Review

The period of review (POR) is December 1, 1999 through November 30, 2000.

Background

On December 20, 2000, the Department published in the **Federal Register** a notice of ''Opportunity to Request an Administrative Review'' of the antidumping duty order on certain cased pencils from the People's Republic of China (PRC), covering the period December 1, 1999 through November 30, 2000. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review,* 65 FR 79802–02 (December 20, 2000).

On December 21, 2000, in accordance with 19 CFR 351.213(b), the respondent, Kaiyuan Group Corporation (Kaiyuan), requested an administrative review of its exports of subject merchandise to the United States during the POR. On December 29, 2000, China First Pencil Co., Ltd. (CFP) requested an administrative review of its exports of subject merchandise to the United States. In addition, on January 2, 2001, in accordance with 19 CFR 351.213(b), the Writing Instrument Manufacturers Association, Inc., Pencil Section; Sanford Corp.; Berol Corp.; General Pencil Co., Inc; J.R. Moon Pencil Co.; Tennessee Pencil Co.; and Musgrave Pencil Co. (collectively, the petitioners), requested that we conduct an administrative review of exports of the subject merchandise made by an additional 37 producers/exporters. The Department published a notice of initiation of this review on January 31, 2001. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part,* 66 FR 21 (January 31, 2001).

On February 12, 2001, we issued antidumping duty questionnaires to all parties named in the notice of initiation for whom we were able to obtain addresses.[1] In addition, on March 6, 2001, we issued a questionnaire to the PRC embassy in order to collect information relevant to the calculation of the PRC-wide rate. CFP, Orient International Holding Shanghai Foreign Trade Corporation (OIHSFTC), Kaiyuan, GSSG, and Three Star responded to our February 12, 2001, questionnaire. In their March 21, 2001, response to the Department's questionnaire, Three Star and GSSG stated that they did not export subject merchandise to the United States during the POR. Specifically, Three Star stated that it had no exports of subject merchandise to the United States. GSSG stated that it shipped pencils to the United States during the POR which were produced by Three Star. GSSG noted that this was not subject merchandise because GSSG was excluded from the antidumping duty order with respect to merchandise it exported which was produced by Three Star.

Pursuant to section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of the preliminary results of an administrative review if it determines that it is not practicable to complete the preliminary results of a review within the statutory time limit of 245 days. On August 6, 2001, in accordance with the Act, the Department extended the time limit for the preliminary results of this review until December 1, 2001 (*see Certain Cased Pencils from the People's Republic of China: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,* 65 FR 53701). On November 28, 2001, the deadline was extended a second time until December 31, 2001 (*see Certain Cased Pencils from the People's Republic of China: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,* 66 FR 63018).

The Department is conducting this administrative review in accordance with section 751 of the Act.

Scope of the Review

Imports covered by this review are shipments of certain cased pencils of any shape or dimension 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 this investigation are classified under subheading 9609.10.00 of the Harmonized Tariff Schedules of the United States (HTSUS). Specifically excluded from the scope of this investigation are mechanical pencils, cosmetic pencils, pens, non-cased crayons (wax), pastels, charcoals, and chalks.

Although the HTSUS subheading is provided for convenience and customs purposes our written description of the scope of the order is dispositive.

Preliminary Partial Rescission

We are preliminarily rescinding this review with respect to Three Star and GSSG because they made no shipments of subject merchandise to the United States during the POR. The Department reviewed Customs data which indicates that Three Star and GSSG did not export subject merchandise to the United States during the POR.

[1] On February 9, 2001, we sent a letter to the PRC Ministry of Foreign Trade and Economic Cooperation (MOFTEC) requesting that it deliver questionnaires to twelve parties for whom we could not find addresses. On August 7, 2001, we sent a letter to MOFTEC repeating our request that MOFTEC deliver the questionnaires to the twelve parties. We also requested that it deliver questionnaires to 5 parties for whom questionnaires were returned to us as undeliverable due to incorrect addresses or contact information. We requested that MOFTEC contact us by August 24, 2001, if it could not deliver any of these questionnaires and advised MOFTEC that if we did not receive its response within the time provided, we would be required to base our findings with respect to these firms on facts available which could be adverse to the firms' interests. The China Chamber of Commerce For Import & Export of Light Industrial Products and Arts—Crafts (CCCLA) faxed us on August 21, 2001, informing us that MOFTEC had asked it to transmit questionnaires to listed parties but could contact only two companies: China National Light Industrial Products Import/Export Corp. (CNLIP) and Jiangsu Light Industrial Products Import and Export Group Corp. (JP). However, we did not receive questionnaire responses from these firms.

Verification

As provided in section 782(i) of the Act, during October 2001, the Department conducted verifications of OIHSFTC and its suppliers. The Department intends to conduct verifications of CFP, GSSG, Three Star and Kaiyuan subsequent to the publication of these preliminary results. During the verification of OIHSFTC and its suppliers, we followed standard procedures in order to test information submitted by the respondents. These procedures included on-site inspection of the manufacturers' facilities, examination of relevant sales and financial records, and selection of relevant source documentation as exhibits. Our verification findings are detailed in the report: Verification of the Sales Responses of OIHSFTC in the 1999–2000 Administrative Review of Certain Cased Pencils from the People's Republic of China (Verification Report), the public version of which is on file in the Department's Central Records Unit, Room B099, of the Main Commerce building (CRU–Public File).

Separate Rates Determination

In proceedings involving nonmarket economy (NME) countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of merchandise subject to investigation in a NME country this single rate, unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. OIHSFTC, CFP and Kaiyuan provided the separate rates information requested by the Department and reported that their export activities are not subject to government control.

We examined the separate rates information provided by OIHSFTC, CFP and Kaiyuan in order to determine whether the companies are eligible for a separate rate. The Department's separate rates test which is used to determine whether an exporter is independent from government control does not consider, in general, macroeconomic/border-type controls, *e.g.,* export licenses, quotas, and minimum export prices, particularly if these controls are imposed to prevent dumping. The test focuses, rather, on controls over the investment, pricing, and output decision-making process at the individual firm level. *See Certain Cut-to-Length Carbon Steel Plate from Ukraine: Final Determination of Sales at Less than Fair Value,* 62 FR 61754, 61757 (November 19, 1997); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review,* 62 FR 61276, 61279 (November 17, 1997).

To establish whether a firm is sufficiently independent from government control of its export activities to be entitled to a separate rate, the Department analyzes each entity exporting the subject merchandise under a test arising out of the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China,* 56 FR 20588 (May 6, 1991) (*Sparklers*), as amplified by *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China,* 59 FR 22585 (May 2, 1994) (*Silicon Carbide*). In accordance with the separate rates criteria, the Department assigns separate rates in NME cases only if respondents can demonstrate the absence of both de jure and de facto governmental control over export activities.

1. Absence of De Jure Control

The Department considers the following de jure criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies. *See Sparklers,* 56 FR at 20508 (May 6, 1991).

OIHSFTC, CFP and Kaiyuan reported that the subject merchandise was not restricted to any government list regarding export provisions or export licensing, and was not subject to export quotas during the POR. OIHSFTC, CFP and Kaiyuan submitted copies of their business licenses in their questionnaire responses. We inspected OIHSFTC's original business license at verification. We found no inconsistencies with their statements regarding the absence of restrictive stipulations associated with their business licenses. Furthermore, OIHSFTC, CFP and Kaiyuan submitted copies of PRC legislation demonstrating the statutory authority for establishing the de jure absence of government control over the companies. Thus, we believe that the evidence on the record supports a preliminary finding of absence of de jure governmental control based on: (1) An absence of restrictive stipulations associated with the business licenses of OIHSFTC, CFP and Kaiyuan; and (2) the applicable legislative enactments decentralizing control of PRC companies.

2. Absence of De Facto Control

The Department typically considers four factors in evaluating whether a respondent is subject to de facto governmental control of its export functions: (1) Whether the export prices are set by or are subject to the approval of a governmental agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses. *See Silicon Carbide,* 59 FR at 22586–87 (May 2, 1994); *see also Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China,* 60 FR 22544, 22545 (May 8, 1995).

As stated in previous cases, there is some evidence that certain enactments of the PRC central government have not been implemented uniformly among different sectors and/or jurisdictions in the PRC. *See Silicon Carbide,* 56 FR at 22587 (May 2, 1994). Therefore, the Department has determined that an analysis of de facto control is critical in determining whether respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

OIHSFTC, CFP and Kaiyuan reported that they determine prices for sales of the subject merchandise based on the cost of the merchandise, movement expenses, overhead, profit, and the market situation in the United States. Moreover, OIHSFTC, CFP and Kaiyuan stated that they negotiated the price directly with their customers. Also, OIHSFTC, CFP and Kaiyuan claimed that their prices are not subject to review or guidance from any governmental organization. In addition, the record indicates that OIHSFTC, CFP and Kaiyuan have the authority to negotiate and sign contracts and other agreements. Further, OIHSFTC, CFP and Kaiyuan claimed that their negotiations are not subject to review or guidance from any governmental organization. Finally, there is no evidence on the record to suggest that there is any governmental involvement in the negotiation of their contracts.

Furthermore, CFP and Kaiyuan reported that they have autonomy in making decisions regarding the selection of management. CFP and

Kaiyuan claimed that its selection of management is not subject to review or guidance from any governmental organization and there is no evidence on the record to suggest that there is any governmental involvement in the selection of the management of CFP and Kaiyuan. Although there is evidence on the record indicating that the Shanghai State Assets Administration plays an indirect role in the appointment of OIHSFTC management, we do not find that this constitutes de facto government control of the business operations of the company relating to its export activity.

Finally, OIHSFTC, CFP and Kaiyuan reported that they retain the proceeds of their export sales, they use profits according to their business needs, and their management determines how to allocate profits. There is no evidence on the record to suggest that there is any governmental involvement in decisions regarding disposition of profits or financing of losses.

Therefore, we find that the evidence on the record supports a preliminary finding of absence of de facto governmental control based on record statements and supporting documentation showing that: (1) OIHSFTC, CFP and Kaiyuan set their own export prices independent of the government and without the approval of a government authority; (2) OIHSFTC, CFP and Kaiyuan have the authority to negotiate and sign contracts and other agreements; (3) OIHSFTC, CFP and Kaiyuan have adequate autonomy from the government regarding the selection of management; and (4) OIHSFTC, CFP and Kaiyuan retain the proceeds from their sales and make independent decisions regarding the disposition of profits or financing of losses.

The evidence placed on the record of this investigation by OIHSFTC, CFP and Kaiyuan demonstrates an absence of government control, both in law and in fact, with respect to their exports of the merchandise under investigation, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*. Therefore, for the purposes of this preliminary determination, we are granting a separate rate to OIHSFTC, CFP and Kaiyuan.[2]

[2] In the *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cased Pencils From the People's Republic of China,* 59 FR 55625 (November 8, 1994) (LTFV), the Department granted separate rates to CFP and Shanghai Foreign Trade Corporation (SFTC). In December of 1999, SFTC was merged into Orient International (Holding) Co., Ltd. (OIH) and was renamed Orient International Holding Shanghai Foreign Trade Co., Ltd. (OIHSFTC). While CFP and OIHSFTC received separate rates in a previous segment of this proceeding, it is the Department's policy to evaluate separate rates questionnaire responses each time a respondent makes a separate rates claim, regardless of any separate rate the respondent received in the past. *See Manganese Metal From the People's Republic of China, Final Results and Partial Rescission of Antidumping Duty Administrative Review,* 63 FR 12441 (March 13, 1998).

Country-Wide Rate

As noted below, Anhui, CNLIP and JP failed to respond to the Department's questionnaire. As these exporters do not qualify for separate rates, they will continue to be subject to the PRC country-wide rate of 53.65 percent.

Normal Value Comparisons

To determine whether the respondents' sales of subject merchandise were made at less than normal value (NV), we compared for all responding entities, the export price (EP) to NV, as described in the *Export Price* and *Normal Value* sections of this notice, below.

Export Price

In accordance with section 772(a) of the Act, the Department calculated an EP for sales to the United States because the subject merchandise was sold directly to an unaffiliated customer in the United States prior to importation and constructed export price methodology was not otherwise indicated. We made deductions from the sales price for foreign inland freight, foreign brokerage and handling, and domestic inland insurance. Each of these services was provided by a NME vendor, and thus, we based the deductions for these movement charges on surrogate values.

We valued foreign brokerage and handling using Indian values that were reported in the public version of the questionnaire response placed on the record in *Certain Stainless Steel Wire Rod from India; Preliminary Results of Antidumping Duty Administrative and New Shipper Review,* 63 FR 48184 (September 9, 1998) (*India Wire Rod*). We valued domestic inland insurance using the Department's recently revised Index of Factor Values for Use in Antidumping Duty Investigations Involving Products from the PRC (available on the Department's website). We identify the source used to value foreign inland freight in the *Normal Value* section of this notice, below. We adjusted these values, as appropriate, to account for inflation or deflation between the effective period and the POR. We calculated the inflation or deflation adjustments for all factor values, except labor, using the wholesale price indices (WPI) for India as published in the International Monetary Fund's (IMF's) publication, *International Financial Statistics*.

Normal Value

For exports from NME countries, section 773(c)(1) of the Act provides that the Department shall determine NV using a factors of production (FOP) methodology if: (1) The subject merchandise is exported from a NME country, and (2) available information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. Section 351.408 of the Department's regulations sets forth the methodology used by the Department to calculate the NV of merchandise exported from NME countries. In every case conducted by the Department involving the PRC, the PRC has been treated as a NME. Since none of the parties to this proceeding contested such treatment, we calculated NV in accordance with section 773(c)(3) and (4) of the Act and section 351.408(c) of the Department's regulations.

In accordance with section 773(c)(3) of the Act, the FOPs utilized in producing pencils include, but are not limited to: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs, including depreciation. In accordance with section 773(c)(4) of the Act, the Department valued the FOPs, to the extent possible, using the costs of the FOP in a market economy that is (1) at a level of economic development comparable to the PRC, and (2) a significant producer of comparable merchandise. We determined that India is comparable to the PRC in terms of per capita gross national product and the national distribution of labor. Furthermore, India is a significant producer of comparable merchandise. *See Memorandum From Jeff May, Director, Office of Policy, to Holly Kuga, Senior Office Director, AD/CVD Enforcement,* dated July 30, 2001, which is on file in the CRU–Public File. In instances where Indian surrogate value information was not available, we relied on Indonesian values and, as noted below, U.S. values. Indonesia is also comparable to the PRC in terms of per capita gross national product and the national distribution of labor, and it is a significant producer of comparable merchandise. We valued Chinese Lindenwood, the wood product used to produce pencils in the PRC, using U.S. publicly available, published prices for American Basswood because price information for Chinese Lindenwood

and for American Basswood is not available elsewhere.[3]

In accordance with section 773(c)(1) of the Act, for purposes of calculating NV, we attempted to value the FOPs using surrogate values that were in effect during the POR. However, when we were unable to obtain the surrogate values in effect during the POR, we adjusted the values, as appropriate, to account for inflation or deflation between the effective period and the POR. We calculated the inflation or deflation adjustments for all factor values, except labor, using the wholesale price indices (WPI) for India as published in the International Monetary Fund's (IMF's) publication, *International Financial Statistics*. We valued the FOP as follows:

(1) We calculated a surrogate value for Chinese Lindenwood Pencil Slats based on the publicly available U.S. lumber prices for Basswood published in the ©§ 2001 Hardwood Market Report for the period December 1999 to November 2000.

(2) We valued Chinese Lindenwood Logs using prices for grade 2 U.S. basswood, kiln dried, 9/4 lumber prices set forth in the Sawlog Bulletin for the period January 2000 to November 2000.

(3) We valued the following material inputs based on Indian import data from the Monthly Statistics of the Foreign Trade of India (MSFTI) for April–August 2000[4]: graphite, kaolin clay, bees wax, mixed wax, wax, clear wax, lacquer, paint, dipping lacquer, glue, clear glue, foil, sealing paper, stearic acid, printing ink, key chain, plastic, foam grip, glitter, talcum powder, heat transfer film, pigment, dye, dyestuff, diluent, hardening oil, and cellulose.

(4) We valued the following material inputs based on Indian import data from the MSFTI for January–December 2000: black cores, color cores, raw pencils, erasers, and ferrules.

(5) We valued the following material inputs based on Indonesian import data from the Foreign Trade Statistical Bulletin of Indonesia (FTSBI) for January–December, 2000: petrol wax, tallow, paraffin wax, emulsified paraffin wax.

(6) In accordance with section 351.408(c)(1) of the Department's regulations, we valued solid glue at the actual purchase price because it was purchased from a market economy in U.S. Dollars.

(7) We valued the following packing materials based on Indian import data from MSFTI for April–August, 2000: paperboard blister cards (sleeves), inner paperboard boxes, master paperboard cartons, pencil paperboard packaging, non-corrugated paper cartons, cardboard boxes, inner paper boxes, cards, sticker paper, corrugated cardboard, PVC covers for blister cards, plastic shrink wrap, plastic film, plastic strips, poly bags, plastic twisty, plastic canisters, plastic boxes, packing tape and paper labels.

(8) We valued energy inputs as follows. We valued coal based on Indian import data from MSFTI for April–August 2000. We valued steam based on Asian Development Bank data published in October, 1997. We valued electricity based on the 1998/1999 consumer category-wise average tariff of electricity (paise/kWh) for industrial enterprises from the publicly available 1999–2000 ''Energy Data Directory & Yearbook'' published by Tata Energy Research Institute.

(9) In accordance with 19 CFR 351.408(c)(3) we valued labor using a regression-based wage rate for the PRC listed in the Import Administration Web site under ''Expected Wages of Selected NME Countries.'' *See http://ia.ita.doc.gov/wages*.

(10) We derived ratios for factory overhead, selling, general and administrative (SG&A) expenses, and profit using information reported for 1999–2000 in the *Reserve Bank of India Bulletin* of March 31, 2001. From this information, we were able to calculate factory overhead as a percentage of direct materials, labor, and energy expenses; SG&A expenses as a percentage of the total cost of manufacturing; and profit as a percentage of the sum of the total cost of manufacturing and SG&A expenses.

(11) We used the following sources to value truck and rail freight services incurred to transport the finished product to the port and direct materials, packing materials, and coal from the suppliers of the inputs to the producers. We valued truck freight services using the 1999 rate quotes reported by Indian freight companies. *See Notice of Final Determination of Sales at Less Than Fair Value: Bulk Aspirin From the People's Republic of China,* 65 FR 33805 (May 25, 2000). We valued rail freight services using the April 1995 rates published by the Indian Railway Conference Association.

For further discussion of the surrogate values used in this review, see *Memorandum From The Team Regarding Selection of Surrogate Values for Factors of Production for the Preliminary Results of the Administrative Review of Certain Cased Pencils from the People's Republic of China,* (December 31, 2001), which is on file in the CRU–Public File.

Facts Available

On August 7, 2001, in letters to all non-responding parties to whom we issued antidumping duty questionnaires, we noted that the questionnaire deadline had passed without the Department having received either the party's response or a request to extend the deadline for responding. Also, we advised these parties that, pursuant to 19 CFR 351.302(d)(i), we would consider any information submitted after the deadline as untimely filed and would return it to the submitting party. Finally, we advised these parties that since we had not received their responses, we were required by section 776(a)(2)(B) of the Act to rely on facts available in our determination.

Anhui Light Industrial Products Import/Export Corporation (Anhui) submitted a letter dated August 20, 2001, indicating that it would not respond to the Department's questionnaire.

On August 21, 2001 the Department received a facsimile from the CCCLA stating that MOFTEC entrusted CCCLA to transmit the Department's questionnaires to listed respondents. CCCLA stated that it could contact only two firms: CNLIP and JP. CNLIP and JP, however, failed to respond to the Department's questionnaire.

For non-responding parties that received the Department's questionnaire but failed to respond, including Anhui, CNLIP and JP, the Department is applying adverse facts available.

Section 776(b) of the Act authorizes the Department to use adverse facts available whenever it finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with the Department's requests for information. Because these firms to whom we sent questionnaires did not respond, we preliminarily determine that these entities did not act to the best of their abilities to comply with our requests. Moreover, we have determined that these firms are not eligible for separate rate status. Therefore, they are all being treated as part of the PRC-wide

[3] Chinese Lindenwood and American Basswood are virtually the same type of wood. U.S. prices for American Basswood were used to value Chinese Lindenwood in the Less Than Fair Value Investigation. *See Notice of Final Determination of Sales at Less Than Fair Value; Certain Cased Pencils from the People's Republic of China,* 59 FR 55625, 55632 (1994). This methodology was upheld by the Court of International Trade on remand. *See Writing Instrument Manufacturers Association, Pencil Section, et al.* v. *United States,* Slip Op. 97–151 (Ct. Int'l. Trade, Nov. 13, 1997) at 16.

[4] We note that we were unable to collect surrogate value data for certain months of the POR. We intend to continue to research and gather this data for the final results of this review.

entity. Pursuant to section 776(b) of the Act, we are relying on adverse facts available to determine the margins for the PRC-wide entity. Specifically, for adverse facts available for the PRC-wide entity, we have applied the highest rate from any prior segment of this proceeding, 53.65 percent, which is the current PRC-wide rate. This rate was the ''recalculated'' petition rate from the LTFV investigation.

Corroboration

Section 776(c) of the Act provides that when the Department resorts to facts otherwise available and relies on ''secondary information,'' the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The Statement of Administrative Action (H.R. Doc. 103–316 (1994)) (SAA) states that ''corroborate'' means to determine that the information used has probative value. *See* SAA at *870*. To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used.

In this review, we are using, as adverse facts available, the highest margin from this or any prior segment of the proceeding. Specifically, we are using 53.65 percent, the current PRC-wide rate. This rate was the petition rate which was ''recalculated'' for the final determination in the investigation. *See Certain Cased Pencils From the People's Republic of China; Notice of Amended Final Determination of Sales at Less Than Fair Value and Amended Antidumping Order in Accordance With Final Court Decision,* 64 FR 25275 (May 11, 1999).

The ''recalculated'' petition rate constitutes secondary information within the meaning of the SAA. *See* SAA at 870. This rate is currently applicable to all exporters that do not have separate rates and was corroborated by the Department in a prior segment of this proceeding. Further, nothing on the record of the instant review calls into question the reliability of the ''recalculated'' rate. *See Certain Cased Pencils From the People's Republic of China; Final Results of Antidumping Administrative Review,* 63 FR 779 (January 7, 1998). With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Nothing in the record of this review calls into question the relevancy of the selected margin. Furthermore, the rate has not been judicially invalidated. Moreover, the rate used is the rate currently applicable to the uncooperative exporters. Assigning a lower rate to these firms would reward them for their failure to cooperate. Thus it is appropriate to use the selected rate as adverse facts available in the instant review.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following margins exist for the period December 1, 1999 through November 30, 2000:

Manufacturer/exporter	Margin (percent)
China First Pencil Co., Ltd.	59.81
Orient International Holding Shanghai Foreign Trade Co., Ltd.	76.46
Kaiyuan Group Corporation	223.60
PRC-wide Rate	53.65

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within ten days of the date of announcement of these preliminary results. An interested party may request a hearing within 30 days of publication of these preliminary results. See 19 CFR 351.310(c). We will issue a memorandum detailing the dates of a hearing, if any, and deadlines for submission of case briefs/written comments and rebuttal briefs or rebuttals to written comments, limited to issues raised in such briefs or comments, after verification of CFP, GSSG, Three Star and Kaiyuan. Parties who submit arguments are requested to submit with the argument (1) a statement of the issue, (2) a brief summary of the argument and (3) a table of authorities. Further, the Department requests that parties submitting written comments provide the Department with a diskette containing the public version of those comments. The Department will issue the final results of these administrative reviews, which will include the results of its analysis of issues raised in interested party comments, within 120 days of publication of these preliminary results.

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties.

Duty Assessment Rates

Upon completion of this review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appraisement instructions directly to Customs upon completion of this review. For assessment purposes, for CFP, OIHSFTC and Kaiyuan we calculated importer-specific assessment rates for pencils from the PRC. We divided the total dumping margin (calculated as the difference between NV and CEP) for the importer by the entered value of the reviewed sale. Where the importer-specific assessment rate is above de minimis, we will direct U.S. Customs to assess the resulting ad valorem rate against the entered value of the entry of the subject merchandise by that importer during the POR. For exporters subject to the PRC-wide rate, we will instruct Customs to assess the PRC-wide rate against the entered value of the subject merchandise.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of pencils from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rates for the reviewed companies named above will be the rates for those firms established in the final results of this administrative review; (2) for any previously reviewed PRC or non-PRC exporter with a separate rate not covered in this review, the cash deposit rate will be the company-specific rates established for the most recent period; (3) for all other PRC exporters, the cash deposit rates will be the PRC-wide rates established in the final results of this review; and (4) the cash deposit rates for non-PRC exporters of subject merchandise from the PRC will be the rates applicable to the PRC supplier of that exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification to Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under section 351.402(f)(2) of the Department's regulations 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 this determination in accordance with

sections section 751(a)(1) and 777(i)(1) of the Act.

Dated: December 31, 2001.

Susan Kuhbach,

Acting Assistant Secretary for Import Administration.

[FR Doc. 02–1269 Filed 1–16–02; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–846]

Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Japan: Final Results of Antidumping Duty Administrative Review

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

SUMMARY: On July 10, 2001, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Japan. *See Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Japan: Preliminary Results of Antidumping Administrative Review,* 66 FR 35928 (*Preliminary Results*). The period of review (POR) is February 19, 1999 through May 31, 2000. We gave interested parties an opportunity to comment on the preliminary results. Based on our analysis of the comments received, we have made changes in the margin calculations. We have determined that Kawasaki did not make sales to the U.S. below normal value during the POR. *See Final Results of the Review* section, below.

EFFECTIVE DATE: January 17, 2002.

FOR FURTHER INFORMATION CONTACT: Doug Campau or Maureen Flannery, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–1395 or (202) 482–3020, respectively.

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the provisions codified at 19 CFR part 351 (2000).

Case History

On June 29, 1999, the Department published in the **Federal Register** an antidumping duty order on certain hot-rolled, flat-rolled, carbon-quality steel products (hot-rolled steel) from Japan. *See Antidumping Duty Order; Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Japan,* 64 FR 34778. On June 30, 2000, the Department received a timely request from Kawasaki Steel Corporation (Kawasaki) to conduct an administrative review pursuant to section 351.213(b)(2) of the Department's regulations. On July 31, 2000, the Department published its notice of initiation of this antidumping duty administrative review. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part,* 64 FR 46687. As noted above, on July 10, 2001, the Department published the preliminary results of this antidumping administrative review. *See Preliminary Results.* The Department determined that it was impracticable to complete this antidumping administrative review within the standard time frame, and extended the due date for the final results from November 7, 2001 to January 7, 2002. *See Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Japan: Extension of Time Limit for Final Results of Antidumping Administrative Review,* 66 FR 57423 (November 15, 2001).

Scope of the Antidumping Duty Order

The products covered by this antidumping duty order are certain hot-rolled flat-rolled carbon-quality steel products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers) regardless of thickness, and in straight lengths, of a thickness less than 4.75 mm and of a width measuring at least 10 times the thickness. Universal mill plate (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of this order.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

Steel products to be included in the scope of this investigation, regardless of Harmonized Tariff Schedule of the United States (HTSUS) definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or
1.50 percent of silicon, or
1.00 percent of copper, or
0.50 percent of aluminum, or
1.25 percent of chromium, or
0.30 percent of cobalt, or
0.40 percent of lead, or
1.25 percent of nickel, or
0.30 percent of tungsten, or
0.012 percent of boron, or
0.10 percent of molybdenum, or
0.10 percent of niobium, or
0.41 percent of titanium, or
0.15 percent of vanadium, or
0.15 percent of zirconium.

All products that meet the physical and chemical description provided above are within the scope of this order unless otherwise excluded. The following products, by way of example, are outside and/or specifically excluded from the scope of this order:

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including e.g., ASTM specifications A543, A387, A514, A517, and A506).
- SAE/AISI grades of series 2300 and higher.
- Ball bearing steels, as defined in the HTSUS.
- Tool steels, as defined in the HTSUS.
- Silico-manganese (as defined in the HTSUS) or silicon electrical steel with a silicon level exceeding 1.50 percent.
- ASTM specifications A710 and A736.
- USS abrasion-resistant steels (USS AR 400, USS AR 500).
- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications: