

Dated: October 31, 2007.

**Stephen J. Claeys,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-122-840]

#### Notice of Preliminary Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod From Canada

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

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on carbon and certain alloy steel wire rod from Canada for the period October 1, 2005, to September 30, 2006 (the POR). We preliminarily determine that sales of subject merchandise by Ivaco Rolling Mills 2004 L.P. and Sivaco Ontario (a division of Sivaco Wire Group 2004 L.P.) (collectively referred to as "Ivaco") have been made below normal value (NV). If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on appropriate entries. Interested parties are invited to comment on these preliminary results. We will issue the final results no later than 120 days from the publication of this notice.

The Department recently concluded a changed circumstance review in which it determined that, as of the publication of that final changed circumstance review, "(1) Ivaco Rolling Mills 2004 L.P. is the successor-in-interest to Ivaco Rolling Mills L.P.; and (2) Sivaco Ontario, a division of Sivaco Wire Group 2004 L.P., is the successor-in-interest to Ivaco Inc. for antidumping duty cash deposit purposes." See *Notice of Final Results of Antidumping Duty Changed Circumstances Review: Carbon and Certain Alloy Steel Wire Rod from Canada*, 72 FR 15102 (March 30, 2007) (Ivaco Changed Circumstances Review). Sivaco Ontario (a Division of Sivaco Wire Group 2004 L.P.) was also identified as the successor-in-interest to Sivaco Ontario. See CBP Message Number 7116210, April 26, 2007. The results of this administrative review, for cash deposit purposes, will apply to Ivaco Rolling Mills 2004 L.P. and to Sivaco Ontario (a division of Sivaco Wire Group 2004 L.P.). Assessment

instructions issued subsequent to the final results would apply to unliquidated entries of not only Ivaco Rolling Mills 2004 L.P. and Sivaco Ontario (a division of Sivaco Wire Group 2004 L.P.), but also those of Ivaco Rolling Mills L.P., Ivaco Inc., and Sivaco Ontario.

Note that Ivaco Rolling Mills 2004 L.P. is referred to below as IRM, and Sivaco Ontario (a division of Sivaco Wire Group 2004 L.P.) is referred to below as Sivaco Ontario (even though "Sivaco Ontario" was the name of the predecessor company to Sivaco Ontario (a division of Sivaco Wire Group 2004 L.P.)).

**DATES:** *Effective Dates:* November 7, 2007.

**FOR FURTHER INFORMATION CONTACT:** Steve Bezirgianian or Robert James, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1131 or (202) 482-0649, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On October 29, 2002, the Department published in the **Federal Register** an antidumping duty order on carbon and certain alloy steel wire rod (steel wire rod) from Canada. See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Carbon and Certain Alloy Steel Wire Rod from Canada*, 67 FR 65944 (October 29, 2002) (Order). On October 2, 2006, the Department issued a notice of opportunity to request an administrative review of this order for the October 1, 2005 through September 30, 2006 POR. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 57920 (October 2, 2006). On October 31, 2006, Mittal Canada Inc. (formerly Ispat Sidbec Inc.) (Mittal Canada) requested an administrative review of its entries that were subject to the antidumping duty order for this period. On that same date, the Department received a request from petitioners (Mittal Steel USA Inc.—Georgetown, Gerdau USA Inc., Nucor Steel Connecticut Inc., Keystone Consolidated Industries, Inc., and Rocky Mountain Steel Mills) for a review of Ivaco, Inc. and Ivaco Rolling Mills L.P. (which petitioners referred to collectively as "Ivaco"). Ivaco Rolling Mills 2004 L.P. and Sivaco Ontario, a division of Sivaco Wire Group 2004 L.P., also requested a review of their

entries. On November 27, 2006, the Department published the notice of initiation of this antidumping duty administrative review. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 71 FR 68535 (November 27, 2006).<sup>1</sup> Mittal Canada subsequently withdrew its request for review, and the Department rescinded the administrative review with respect to Mittal Canada. See *Partial Rescission of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Canada*, 72 FR 51408 (September 7, 2007).

Ivaco submitted a response to section A of the Department's questionnaire on January 16, 2007, and a response to sections B, C, and D of the Department's questionnaire on February 21, 2007. In response to the Department's supplemental questionnaire dated June 8, 2007, Ivaco submitted a supplemental response for sections A, B, and C on July 13, 2007. In response to the Department's supplemental questionnaire dated September 12, 2007, Ivaco submitted a supplemental response, for sections A, B, C, and D on October 3, 2007. In response to the Department's supplemental questionnaire dated October 10, 2007, Ivaco submitted a supplemental response, for section C on October 17, 2007. On October 11, 2007, petitioners submitted comments regarding Ivaco's claims with respect to levels of trade and certain Ivaco costs, and, on October 19, 2007, Ivaco submitted a response to petitioners' comments on those issues.

The Department is considering IRM and Sivaco Ontario as part of the same entity (referred to collectively in this notice as "Ivaco"), consistent with the Department's treatment of these companies in previous proceedings. See, e.g., *Notice of Final Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Canada*, 72 FR 26591 (May 10, 2007) and *Ivaco Changed Circumstance Review*, 72 FR 15102.

#### Scope of the Order

The merchandise subject to this order is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00

<sup>1</sup> The Department's initiation notice referenced the following companies: Mittal Canada Inc. (formerly Ispat Sidbec Inc.); Ivaco Rolling Mills 2004 L.P.; and Sivaco Ontario Processing (a division of Sivaco Wire Group 2004 L.P.). The Department, for these preliminary results, is considering that a combined entity referenced as "Ivaco" encompasses the following: Ivaco Rolling Mills L.P.; Ivaco Rolling Mills 2004 L.P.; Ivaco, Inc.; Sivaco Ontario; and Sivaco Ontario (a division of Sivaco Wire Group 2004 L.P.).

mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States ("HTSUS") definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. Grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

Grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii)

containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

For purposes of the grade 1080 tire cord quality wire rod and the grade 1080 tire bead quality wire rod, an inclusion will be considered to be deformable if its ratio of length (measured along the axis—that is, the direction of rolling—of the rod) over thickness (measured on the same inclusion in a direction perpendicular to the axis of the rod) is equal to or greater than three. The size of an inclusion for purposes of the 20 microns and 35 microns limitations is the measurement of the largest dimension observed on a longitudinal section measured in a direction perpendicular to the axis of the rod.

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope. The products subject to this order are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3092, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0000, 7227.90.6010, and 7227.90.6080 of the HTSUS. Although the HTSUS subheadings are provided for

convenience and customs purposes, the written description of the scope of this order is dispositive.

#### Export Price and Constructed Export Price

For the price to the United States, we used, as appropriate, export price (EP) or constructed export price (CEP), as defined in sections 772(a) and 772(b) of the Tariff Act of 1930, as amended (the Act), respectively. Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold before the date of importation by the producer or exporter outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under section 772(c) of the Act.

Section 772(b) of the Act defines CEP as the price at which the subject merchandise is first sold in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under sections 772(c) and (d) of the Act.

Ivaco made both EP and CEP transactions. We calculated an EP for sales where the merchandise was sold directly by Ivaco to the first unaffiliated purchaser in the United States prior to importation, and CEP was not otherwise warranted based on the facts on the record. We calculated a CEP for sales made by Ivaco after importation to the United States (where the merchandise was located at an unaffiliated processor facility or unaffiliated distributor warehouse at the time of sale).

For EP sales, we made additions to the starting price (gross unit price), where appropriate, for freight revenue received by Ivaco (reimbursement by customers for freight charges paid by Ivaco) and for billing errors (debit-note price adjustments made by Ivaco), and deductions, where appropriate, for billing adjustments (including credit-note price adjustments made by Ivaco), early payment discounts and rebates, and movement expenses in accordance with section 772(c)(2)(A) of the Act. Movement expenses included inland freight, warehousing expenses, and brokerage fees. For CEP sales, we made adjustments to the starting price as for the EP transactions described above. However, consistent with our treatment of these expenses in recent administrative reviews, we re-categorized freight from one unaffiliated processor in the United States to another unaffiliated processor in the

United States as further manufacturing costs. *See Notice of Final Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Canada*, 71 FR 3822 (January 24, 2006) and accompanying Issues and Decision Memorandum at Comment 1; and *Notice of Preliminary Results of Antidumping Duty Administrative Review and Notice of Initiation of Changed Circumstances Review: Carbon and Certain Alloy Steel Wire Rod from Canada*, 71 FR 64921, 64923 (November 6, 2006) (unchanged in final results, 72 FR 26591 (May 10, 2007)). In addition, in accordance with section 772(d)(1) and (2) of the Act, we deducted from the starting price those selling expenses that were incurred in selling the subject merchandise in the United States, including direct selling expenses (imputed credit expenses and warranty expenses), imputed inventory carrying costs, and further manufacturing. Finally, in accordance with section 772(d)(3) of the Act, we deducted an amount of profit allocated to the expenses deducted under sections 772(d)(1) and (2) of the Act. *See the* October 31, 2007, Memorandum from Steve Bezirgianian, Analyst, through Robert James, Program Manager, entitled “Analysis Memorandum for Ivaco Rolling Mills 2004 L.P. and Sivaco Ontario, a division of Sivaco Wire Group 2004 L.P.: Carbon and Certain Alloy Steel Wire Rod from Canada (A–122–840)” (Ivaco Analysis Memorandum).

## Normal Value

### A. Selection of Comparison Markets

Section 773(a)(1) of the Act directs that NV be based on the price at which the foreign like product is sold in the home market, provided that the merchandise is sold in sufficient quantities (or value, if quantity is inappropriate) and that there is not a particular market situation that prevents a proper comparison with sales to the United States. The statute contemplates that quantities (or value) will normally be considered insufficient if they are less than five percent of the aggregate quantity (or value) of sales of the subject merchandise to the United States. *See* section 773(a)(1) of the Act.

We found that Ivaco had a viable home market for steel wire rod. *See* Ivaco Analysis Memorandum. Ivaco submitted home market sales data for purposes of the calculation of NV. In deriving NV, we made adjustments as detailed in the “Calculation of Normal Value Based on Comparison Market Prices” section below.

### B. Cost of Production Analysis

Because we disregarded below-cost sales in the most recently completed segment of the proceeding, we had reasonable grounds to believe or suspect that home market sales of the foreign like product by the respondent were made at prices below the cost of production (COP) during the POR. *See Notice of Preliminary Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Canada*, 70 FR 41681, 41684 (July 20, 2005) (unchanged in final results, 71 FR 3822 (January 24, 2006)); and section 773(b) of the Act. Therefore, we required Ivaco to file a response to Section D of the Department’s Questionnaire.

#### 1. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP, by model, based on the sum of materials, fabrication, and general and administrative (G&A) expenses.

#### 2. Test of Comparison Market Sales Prices

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

#### 3. Results of the COP Test

We disregard below-cost sales where (1) 20 percent or more of the respondent’s sales of a given product during the POR were made at prices below the COP in accordance with sections 773(b)(2)(B) and (C) of the Act, and (2) based on comparisons of price to weighted-average COPs for the POR, we determine that the below-cost sales of the product were at prices which would not permit recovery of all costs within a reasonable time period, in accordance with section 773(b)(2)(D) of the Act. We found that Ivaco made sales below cost and we disregarded such sales where appropriate.

### C. Calculation of Normal Value Based on Comparison-Market Prices

We determined NV for Ivaco as follows. We made adjustments to the gross price to account for billing adjustments, and deducted discounts and rebates. We deducted home market packing costs and added U.S. packing costs, in accordance with sections 773(a)(6)(A) and (B) of the Act. We also deducted home market movement expenses pursuant to sections 773(a)(6)(B) of the Act. In addition, we made adjustments for differences in circumstances of sale (COS) pursuant to section 773(a)(6)(C)(iii) of the Act. Specifically, we made adjustments for Ivaco’s EP transactions by deducting direct selling expenses incurred for home market sales (*i.e.*, credit expenses and warranty expenses) and adding U.S. direct selling expenses (*i.e.*, credit expenses and warranty expenses). *See* section 773(a)(6)(C)(iii) of the Act, and 19 CFR 351.410(c). Where we compared Ivaco’s U.S. sales to home market sales of merchandise, we made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

### D. Arm’s-Length Sales

The respondent reported sales of the foreign like product to affiliated customers. To test whether these sales to affiliated customers were made at arm’s length, where possible, we compared the prices of sales to affiliated and unaffiliated customers, net of all movement charges, direct selling expenses, and packing. Where the price to that affiliated party was, on average, within a range of 98 to 102 percent of the price of the same or comparable merchandise sold to the unaffiliated parties at the same level of trade, 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). Ivaco’s sales to affiliated parties that were determined not to be at arm’s length were disregarded in our comparison to U.S. sales.

### E. Calculation of Normal Value Based on Constructed Value

Section 773(a)(4) of the Act provides that, where NV cannot be based on comparison-market sales, NV may be based on constructed value (CV). Accordingly, for those models of steel wire rod for which we could not determine the NV based on comparison-market sales, either because there were no sales of a comparable product or all

sales of the comparison products failed the COP test, we based NV on CV.

Section 773(e)(1) of the Act provides that CV shall be based on the sum of the cost of materials and fabrication for the imported merchandise plus amounts for selling, general, and administrative expenses (SG&A), profit, and U.S. packing expenses. We calculated the cost of materials and fabrication based on the methodology described in the COP section of this notice. We based SG&A and profit on the actual amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the comparison market, in accordance with section 773(e)(2)(A) of the Act.

We made adjustments to CV for differences in COS in accordance with section 773(a)(8) of the Act and 19 CFR 351.410. For CEP and EP comparisons, we deducted direct selling expenses incurred for home market sales (*i.e.*, credit expenses and warranty expenses). See Section 773(a)(6)(C)(iii) of the Act; and 19 CFR 351.410(c). For EP sales, we added U.S. direct selling expenses (*i.e.*, credit expenses and warranty expenses) to the NV.

#### *F. Level of Trade/Constructed Export Price Offset*

In accordance with section 773(a)(1)(B) of the Act, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the EP and CEP sales, to the extent practicable. When there are no sales at the same LOT, we compare U.S. sales to comparison market sales at a different LOT. When NV is based on CV, the NV LOT is that of the sales from which we derive SG&A expenses and profit.

Pursuant to 19 CFR 351.412(c)(2), to determine whether comparison market sales were at a different LOT, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated (or arm's-length) customers. The Department identifies the LOT based on: the starting price or constructed value (for normal value); the starting price (for EP sales); and the starting price, as adjusted under section 772(d) of the Act (for CEP sales). If the comparison-market sales were at a different LOT and the differences affect price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we will make an LOT adjustment under section 773(a)(7)(A) of the Act.

Finally, if the NV LOT is more remote from the factory than the CEP LOT and there is no basis for determining whether the differences in LOT between NV and CEP affected price comparability, we will grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. See, *e.g.* Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa,, 62 FR 61731, 61732–33 (November 19, 1997).

Ivaco reported home market sales in two channels of distribution: (1) Direct sales by IRM and (2) direct sales by Sivaco Ontario. Ivaco reported U.S. EP sales in two channels of distribution: (1) Direct sales by IRM to U.S. customers and (2) direct sales by Sivaco Ontario to U.S. customers. Finally, Ivaco reported U.S. CEP sales in one channel of distribution: (1) Direct sales by IRM to U.S. customers made from the facilities of unaffiliated U.S. processors or unaffiliated U.S. warehouses. Ivaco claims that all of IRM's home market and U.S. sales are at one LOT, and that all of Sivaco's home market and U.S. sales are at another, more advanced, LOT. Ivaco states that the Department should calculate a LOT adjustment when sales by IRM are matched to sales by Sivaco. Ivaco also states that, if the Department determines that IRM's U.S. CEP sales are at a different LOT from all Ivaco's home market sales, the Department should grant a CEP offset.

To determine whether there were multiple LOTs, we examined the selling functions performed by Ivaco for its customers. We found few differences in selling functions across the various channels of distribution and, based on this examination, we preliminarily determine that Ivaco sold merchandise at one LOT in both markets. See the October 31, 2007 memorandum from Steve Bezirgianian, through Robert James, to Richard Weible, "Level of Trade Analysis for Ivaco Rolling Mills 2004 L.P. and Sivaco Ontario, a division of Sivaco Wire Group 2004 L.P.: Carbon and Certain Alloy Steel Wire Rod from Canada (A-122-840)." Consequently, there is no basis for calculating a level-of-trade adjustment or a CEP offset.

#### **Currency Conversion**

We made currency conversions into U.S. dollars in accordance with section 773A of the Act, based on exchange rates in effect on the date of the U.S. sale, as provided by the Federal Reserve Bank.

#### **Preliminary Results of Review**

As a result of this review, we preliminarily determine that the

following weighted-average margin exists for the period October 1, 2005, through September 30, 2006:

Producer/exporter	Weighted-average margin (percentage)
Ivaco Rolling Mills 2004 L.P. Sivaco Ontario, a division of Sivaco Wire Group 2004 L.P. ....	4.44    4.44

In accordance with 19 CFR 351.224(b), the Department will disclose calculations performed within five days of publication of this notice. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results. See 19 CFR 351.309(c)(ii). Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than five days after submission of case briefs. See 19 CFR 351.309(d). Parties who submit arguments are requested to submit with the argument (1) a statement of the issues, (2) a brief summary of the arguments, and (3) a table of authorities. Further, parties submitting written comments should provide the Department with an additional copy of the public version of any such comments on diskette. An interested party may request a hearing within 30 days of publication of these preliminary results. See 19 CFR 351.310(c). Any hearing, if requested, will be held two days after the date for submission of rebuttal briefs, or the first working day thereafter. 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 these preliminary results, pursuant to section 751(a)(3) of the Act.

#### **Assessment**

Upon completion of this administrative review, pursuant to 19 CFR 351.212(b), the Department will calculate an assessment rate on all appropriate entries. The Department will issue assessment instructions directly to CBP on or after 41 days following the publication of the final results of review, pursuant to 19 CFR 356.8(a). We will calculate importer-specific duty assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered

value of the examined sales for that importer.<sup>2</sup>

The Department clarified its “automatic assessment” regulation on May 6, 2003. *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (Assessment Policy Notice). This clarification will apply to entries of subject merchandise during the period of review produced by companies included in these final results of reviews for which the reviewed companies did not know that the merchandise it sold to the intermediary (e.g., a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there was no rate calculated in this review for the intermediary involved in the transaction. *See Assessment Policy Notice*, 68 FR at 23954, for a full discussion of this clarification.

#### Cash Deposit Requirements

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of steel wire rod from Canada entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rates for Ivaco will be the rates established in the final results of this review, except if a rate is less than 0.5 percent, and therefore *de minimis*, the cash deposit will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair-value (LTFV) 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 review conducted by the Department, the cash

deposit rate will be 8.11 percent, the “All Others” rate established in the LTFV investigation.

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

This notice 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 entities 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.

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

Dated: October 31, 2007.

Stephen J. Claeys,

Acting Assistant Secretary for Import Administration.

[FR Doc. E7–21869 Filed 11–6–07; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A–201–830]

#### Preliminary Results of Antidumping Duty Administrative Review: Carbon and Alloy Steel Wire Rod From Mexico

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

**SUMMARY:** In response to requests by interested parties, the Department of Commerce (“the Department”) is conducting an administrative review of the antidumping duty order on carbon and alloy steel wire rod (“wire rod”) from Mexico for the period of review (“POR”) October 1, 2005, through September 30, 2006.

We preliminarily determine that during the POR, Hylsa Puebla, S.A. de C.V. (“Hylsa”) made sales at less than normal value (“NV”). If these preliminary results are adopted in the final results of this administrative review, we will instruct U.S. Customs and Border Protection (“CBP”) to assess antidumping duties equal to the difference between the export price (“EP”) and NV.

**DATES:** *Effective Dates:* November 7, 2007.

**FOR FURTHER INFORMATION CONTACT:** John Conniff or Jolanta Lawska, AD/CVD

Operations, Office 3, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–1009 or (202) 482–8362, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On October 29, 2002, the Department published in the **Federal Register** the antidumping duty order on wire rod from Mexico; *see Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945 (October 29, 2002). On October 2, 2006, the Department published in the **Federal Register** the notice of *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 71 FR 57920 (October 2, 2006).

On October 31, 2006, we received a request for review from petitioners,<sup>1</sup> with respect to Hylsa and Siderurgica Lazaro Cardenas Las Truchas S.A. de C.V. (“Sicartsa”). This review was requested in accordance with 19 CFR 351.213(b)(2).

On November 27, 2006, we published the notice of initiation of this antidumping duty administrative review covering the period October 1, 2005, through September 30, 2006. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 71 FR 68535 (November 27, 2006).

On December 28, 2006, petitioners withdrew their request for a review of Sicartsa pursuant to 19 CFR 351.213(d)(1). On May 25, 2007, we published in the **Federal Register** the notice of rescission for Sicartsa; *see Certain Carbon and Alloy Steel Wire Rod from Mexico: Notice of Partial Rescission of Antidumping Duty Administrative Review*, 72 FR 29300 (May 25, 2007).

On February 5, 2007, Hylsa submitted its section A response to the Department’s December 8, 2006, initial questionnaire. On February 12, 2007, Hylsa submitted its sections B–C response to the Department’s initial questionnaire. On June 11, 2007, Hylsa submitted its supplemental questionnaire response to the

<sup>1</sup> The petitioners are Mittal Steel USA Inc., Gerdau USA Inc., Nucor Steel Connecticut Inc., Keystone Consolidated Industries, Inc., and Rocky Mountain Steel Mills (collectively “the petitioners”).

<sup>2</sup> According to Ivaco, IRM served as the importer for almost all of the U.S. sales of IRM, and Sivaco Ontario served as the importer for all of the U.S. sales of Sivaco Ontario. Because IRM and Sivaco Ontario are considered part of the same entity, there is in effect only one importer, so only one importer-specific assessment rate has been calculated for application to entries imported by IRM or Sivaco Ontario. In addition, for several reported U.S. sales of IRM, Ivaco indicates it cannot identify the importer. Ivaco states these sales involved galvanized wire rod that was exported to the United States by the U.S. customer. Separate company-specific assessment rates have been calculated for application to entries associated with such transactions. *See Ivaco Analysis Memorandum.*