

included in this scope when used in standard, line or pressure applications.

With regard to the excluded products listed above, the Department will not instruct U.S. Customs and Border Protection (CBP) to require end-use certification until such time as petitioner or other interested parties provide to the Department a reasonable basis to believe or suspect that the products are being used in a covered application. If such information is provided, we will require end-use certification only for the product(s) (or specification(s)) for which evidence is provided that such products are being used in covered applications as described above. For example, if, based on evidence provided by petitioner, the Department finds a reasonable basis to believe or suspect that seamless pipe produced to the A-161 specification is being used in a standard, line or pressure application, we will require end-use certifications for imports of that specification. Normally we will require only the importer of record to certify to the end use of the imported merchandise. If it later proves necessary for adequate implementation, we may also require producers who export such products to the United States to provide such certification on invoices accompanying shipments to the United States.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the merchandise subject to this scope is dispositive.

Analysis of Comments Received

All issues raised in these cases are addressed in the "Issues and Decision Memorandum" from Barbara E. Tillman, Acting Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, dated August 30, 2005, (Decision Memorandum), which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the orders are revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Department building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov>, under the heading "September 2005." The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Reviews

We determine that revocation of the antidumping duty orders on pipe fittings from the Czech Republic, Japan, Romania, and South Africa would likely lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturers/Exporters/Producers	Weighted-Average Margin (Percent)
Czech Republic.	
Nova Hut, A.S.	39.93
All Others	32.26
Japan.	
Nippon Steel Corporation	106.07
Kawasaki Steel Corporation	106.07
Sumitomo Metal Industries, Ltd.	106.07
All Others	70.43
Romania.	
Metal Business International S.R.L.	11.08
S.C. Petrotub S.A.	11.08
S.C. Silcotub S.A.	15.15
Sota Communication Company ..	15.15
All Others	13.06
South Africa.	
Iscor Ltd.	43.51
All Others	40.17

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: August 30, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5-4868 Filed 9-6-05; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

(A-580-816)

Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review

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

SUMMARY: In response to requests from petitioners, the Department of Commerce (the Department) is conducting the eleventh administrative review of the antidumping order on corrosion-resistant carbon steel flat products (CORE) from Korea.¹ This review covers five manufacturers and exporters (collectively, the respondents) of the subject merchandise: Dongshin Special Steel Co., Ltd., (Dongshin); Dongbu Steel Co., Ltd. (Dongbu); Hyundai HYSCO (HYSCO); Pohang Iron & Steel Company, Ltd. and Pohang Coated Steel Co., Ltd. (POCOS), and Pohang Steel Industries Co., Ltd. (PSI) (collectively, the POSCO Group); and Union Steel Manufacturing Co., Ltd. (Union). The period of review (POR) for this review is August 1, 2003, through July 31, 2004. We preliminarily determine that during the POR, Dongbu, the POSCO Group, and Union made sales of subject merchandise at less than normal value (NV). However, we preliminarily determine that HYSCO did not make sales of subject merchandise at less than NV (*i.e.*, sales were made at "zero" or *de minimis* dumping margins). 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 HYSCO's appropriate entries at an antidumping liability of zero percent of the entered value and instruct CBP to assess Dongbu, Dongshin, the POSCO Group, and Union at the rates referenced in the "Preliminary Results of the Review" section of this notice.

Furthermore, we are rescinding the request for review of the antidumping order for SeAH Steel Corporation (SeAH) because SeAH and its affiliates did not have exports or sales in the United States of subject merchandise manufactured or produced by SeAH during the POR. Because Dongshin failed to respond to the Department's questionnaire, we preliminarily

¹ Petitioners are the Mittal Steel USA ISG, Inc., United States Steel Corporation, and Nucor Corporation.

determine to resort to adverse facts available to determine Dongshin's dumping margin. Interested parties are invited to comment on these preliminary results. Parties who submit comments in this segment of the proceeding should also submit with them: (1) a statement of the issues and (2) a brief summary of the comments.

EFFECTIVE DATE: September 7, 2005.

FOR FURTHER INFORMATION CONTACT: Jolanta Lawska (Union), Preeti Tolani (Dongbu), Victoria Cho (the POSCO Group), and Joy Zhang (HYSCO), AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-8362, (202) 482-0395, (202) 482-5075, and (202) 482-1168, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 19, 1993, the Department published the antidumping order on CORE from Korea. See *Antidumping Duty Orders on Certain Cold-Rolled Carbon Steel Flat Products and Certain Corrosion-Resistant Carbon Steel Flat Products from Korea*, 58 FR 44159 (August 19, 1993) (*Orders on Certain Steel from Korea*). On August 3, 2004, we published in the **Federal Register** the notice of *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 69 FR 46496 (August 3, 2004). On August 31, 2004, petitioners requested a review of Dongbu, Dongshin, HYSCO, the POSCO Group, SeAH, and Union. The Department initiated this review on September 22, 2004. See *Notice of Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 69 FR 56745 (September 22, 2004).

During the most recently completed segments of the proceeding in which Dongbu, HYSCO, the POSCO Group, and Union participated, the Department disregarded sales below the cost of production (COP) that failed the cost test.² Therefore, pursuant to section

773(b)(2)(A)(ii) of the Tariff Act of 1930, as amended (the Act), we had reasonable grounds to believe or suspect that sales by these companies of the foreign like product under consideration for the determination of NV in this review were made at prices below the COP. We instructed Dongshin, Dongbu, HYSCO,³ the POSCO Group, and Union to respond to sections A–D of the initial questionnaire,⁴ which we issued on November 1, 2004.

On April 7, 2005, the Department published an extension of preliminary results of the eleventh administrative review until August 31, 2005. See *Corrosion Resistant Carbon Steel Flat Products From Korea: Extension of Time Limits for the Preliminary Results of Antidumping Duty Administrative Review*, 70 FR 17648 (April 7, 2005).

Rescission of Administrative Review for SeAH

On November 29, 2004, SeAH submitted a letter certifying that neither SeAH nor its affiliates exported or sold in the United States subject merchandise manufactured or produced by SeAH during the POR. We conducted an internal customs data query on August 1, 2005. The data query indicated that SeAH and its affiliates did not have entries of subject merchandise manufactured or produced by SeAH into the United States during the POR. See August 10, 2005, *Internal Customs Data Query* memorandum to the file from the team, which is available in the Central Records Unit (CRU) room B099 in the main Department of Commerce building.

Dongshin

Dongshin failed to respond to the initial questionnaire sent by the Department on November 1, 2004. On January 5, 2005, the Department sent a follow up letter to Dongshin inquiring whether it intended to respond to the Department's initial questionnaire and indicating that its failure to do so could result in the use of adverse facts available. Dongshin failed to respond to the questionnaire or to the January 5, 2005, letter.

³ In the previous segment the Department included a new shipper review of HYSCO. See *Preliminary Results from the 10th Review of CORE from KOREA*, 69 FR 54101 and *Final Results from the 10th Review of CORE from Korea*, 70 FR 12443.

⁴ Section A: Organization, Accounting Practices, Markets and Merchandise
Section B: Comparison Market Sales
Section C: Sales to the United States
Section D: Cost of Production and Constructed Value

Dongbu

On January 10, 2005, Dongbu submitted its sections A–C response to the initial questionnaire. On February 25, 2005, Dongbu submitted its section D response to the initial questionnaire. On June 9, 2005, Dongbu submitted its supplemental questionnaire response to the Department's May 17, 2005, questionnaire for sections A through D. On July 22, 2005, Dongbu submitted its second supplemental questionnaire response to the Department's July 1, 2005 questionnaire for sections B through D. On August 17, 2005, Dongbu submitted its third supplemental questionnaire response to the Department's August 3, 2005, supplemental questionnaire.

Union

On January 19, 2005, Union submitted its sections A–C responses to the initial questionnaire. On February 25, 2005, Union submitted its section D response to the initial questionnaire. On May 6, 2005, Union submitted its supplemental questionnaire response to the Department's April 8, 2005 questionnaire for sections A through C. On June 30, 2005, Union submitted its supplemental questionnaire response to the Department's June 3, 2005 questionnaire for section D. On August 17, 2005, Union submitted its second supplemental questionnaire response to the Department's August 3, 2005, questionnaire for sections A through D.

The POSCO Group

On January 31, 2005, the POSCO Group submitted its sections A through D response to the initial questionnaire. On June 23, 2005, the POSCO Group submitted its supplemental questionnaire response to the Department's May 25, 2005, questionnaire for sections A through D.

HYSCO

On January 10, 2005, HYSCO submitted its sections A through C response to the initial questionnaire. On April 12, 2005, HYSCO submitted its section D response to the initial questionnaire. On May 5, 2005, HYSCO submitted its supplemental questionnaire response to the Department's April 8, 2005 questionnaire for sections A through C. On July 15, 2005, HYSCO submitted its second supplemental questionnaire response to the Department's June 24, 2005 questionnaire for sections A through D. On August 9, 2005, HYSCO submitted a second supplemental questionnaire response to the Department's July 22, 2005 and August 3, 2005 questionnaires for section D.

² *Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Preliminary Results of Antidumping Duty Administrative Review and Antidumping Duty New Shipper Review*, 69 FR 54101, 54106-7 (September 7, 2004) (*Preliminary Results from the 10th Review of CORE from KOREA*); *Notice of Final Result of the Tenth Administrative Review and New Shipper of the Antidumping Duty Order on Certain Corrosion Resistant Carbon Steel Flat Products from the Republic of Korea*, 70 FR 12443 (March 14, 2005) (*Final Results from the 10th Review of CORE from Korea*) and accompanying *Issues and Decisions Memorandum* (10th Review Decision Memo) at 10.

Period of Review

The POR covered by this review is August 1, 2003, through July 31, 2004.

Scope of the Order

This order covers flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090. Included in the order are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process including products which have been beveled or rounded at the edges (i.e., products which have been "worked after rolling"). Excluded from this review are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating. Also excluded from this review are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness. Also excluded from this review are certain clad stainless flat-

rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio.

These HTSUS item numbers are provided for convenience and customs purposes. The written descriptions remain dispositive.

Use of Adverse Facts Available

In accordance with section 776(a)(2) of the Act, the Department has determined that the use of facts available is appropriate for purposes of determining the preliminary dumping margins for the subject merchandise sold by Dongshin. Section 776(a)(2) of the Act provides in relevant part:

If an interested party (A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for submission of the information or in the form and manner requested, subject to subsections (c)(I) and (e) of section 782; (C) significantly impedes a proceeding under this subtitle; or (D) provides such information but the information cannot be verified as provided in section 782(I), the administering authority shall, subject to section 782(d) of this title, use the facts otherwise available in reaching the applicable determination under this subtitle.

Moreover, section 776(b) of the Act provides in relevant part that:

If the administering authority finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority, the administering authority, in reaching the applicable determination under this subtitle, may use an inference that is adverse to the interests of the party in selecting from among the facts otherwise available.

As explained above in the "Background" section of these preliminary results, Dongshin, despite the Department's repeated inquiries, failed to provide a response to the Department's initial questionnaire. Therefore, we have determined that Dongshin's failure to respond to the Department's questionnaire warrants the use of facts otherwise available pursuant to sections 776(a)(2)(A) and (C) of the Act. Furthermore, because of Dongshin's failure to respond to the Department's questionnaire and letter of January 5, 2005, we find that Dongshin failed to cooperate by not acting to the best of its

ability to comply with the Department's request for information. Accordingly, the Department is using an inference that is adverse to Dongshin in the preliminary results pursuant to section 776(b) of the Act. Specifically, as described below, we are using the highest calculated margin in this proceeding as AFA.

Section 776(c) of the Act provides that when the Department selects from among the 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 (SAA) provides that "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value. See Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316 at 870 (1994) and 19 CFR 351.308(d). However, unlike other types of information, such as input costs or selling expenses, there are no independent sources for calculated dumping margins. The only source for calculated margins is administrative determinations. Thus, in an administrative review, if the Department chooses as total adverse facts available a calculated dumping margin from a prior segment of the proceeding, it does not question the reliability of the margin for that time period. See *Grain-Oriented Electrical Steel from Italy: Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 36551, 36552 (July 11, 1996). With respect to the relevance aspect of corroboration, however, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Where circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin.

For example, in *Fresh Cut Flowers from Mexico: Final Results of Antidumping Administrative Review*, 61 FR 6812, 6814 (February 22, 1996), the Department disregarded the highest margin in that case as adverse best information available (the predecessor to facts available) because the margin was based on another company's rate that was uncharacteristic of the industry, resulting in an unusually high margin. Similarly, the Department does not apply a margin that has been discredited. See *D & L Supply Co. v. United States*, 113 F.3d 1220, 1223 (Fed. Cir. 1997) (the Department will not use

a margin that has been invalidated); *see also F. Lli De Cecco di Filippo v. United States*, 216 F.3d 1027 (Fed. Cir. 2000). Accordingly, for Dongshin we have resorted to adverse facts available and have used 17.70 percent,⁵ the highest margin upheld in this proceeding, as the margin for these preliminary results because there is no evidence on the record indicating that such a margin is not appropriate as adverse facts available. *See Orders on Certain Steel from Korea*.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all CORE products produced by the respondents, covered by the scope of the order, and sold in the home market during the POR to be foreign like products for the purpose of determining appropriate product comparisons to CORE sold in the United States.

Where there were no sales in the ordinary course of trade of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed in Appendix V of the Department's antidumping questionnaire. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondent. Where sales were made in the home market on a different weight basis from the U.S. market (theoretical versus actual weight), we converted all quantities to the same weight basis, using the conversion factors supplied by the respondent, before making our fair-value comparisons.

Normal Value Comparisons

To determine whether sales of CORE by the respondents to the United States were made at less than NV, we compared the Export Price (EP) or Constructed Export Price (CEP) to the NV, as described in the "Export Price/Constructed Export Price" and "Normal Value" sections of this notice. In

accordance with section 777A(d)(2) of the Act, we calculated monthly weighted-average prices for NV and compared these to individual U.S. transactions.

Export Price/Constructed Export Price

We calculated the price of U.S. sales based on CEP, in accordance with section 772(b) of the Act. The Act defines the term "constructed export price" as "the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (c) and (d) of this section." (19 U.S.C. 1677a(b)). In contrast, section 772(a) of the Act defines "export price" as "the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise 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 subsection (c) of this section." (19 U.S.C. 1677a(a)).

In determining whether to classify U.S. sales as either EP or CEP sales, the Department must examine the totality of the circumstances surrounding the U.S. sales process, and assess whether the reviewed sales were made "in the United States" for purposes of section 772(b) of the Act. In the instant case, the record establishes that Dongbu's, the POSCO Group's, Union's, and HYSCO's affiliates in the United States (1) took title to the subject merchandise and (2) invoiced and received payment from the unaffiliated U.S. customers for their sales of the subject merchandise to those U.S. customers. Thus, the Department has determined that these U.S. sales should be classified as CEP transactions.

For Dongbu, the POSCO Group, Union, and HYSCO, we calculated CEP based on packed prices to unaffiliated customers in the United States. Where appropriate, we made deductions from the starting price for foreign inland freight, foreign inland insurance, foreign brokerage and handling, international freight, marine insurance, U.S. warehousing expenses, U.S. wharfage, U.S. inland freight, U.S. brokerage and handling, loading expenses, other U.S. transportation expenses, U.S. customs duties, commissions, credit expenses, letter of credit expenses, warranty expenses, other direct selling expenses, inventory carrying costs incurred in the United States, and other indirect selling

expenses in the country of manufacture and the United States associated with economic activity in the United States. Pursuant to section 772(d)(3) of the Act, we made an adjustment for CEP profit. Where appropriate, we added interest revenue to the gross unit price.

In order to ensure that we have accounted for all appropriate U.S. interest expenses (*i.e.* both imputed and actual) without double-counting, we have utilized the following interest expense methodology. As in a previous review, in the U.S. indirect selling expenses, we have included net financial expenses incurred by the respondent's U.S. affiliates; however, we added U.S. interest expenses only after deducting U.S. imputed credit expenses and U.S. inventory carrying costs, so as to eliminate the possibility of double-counting U.S. interest expenses.⁶

Consistent with the Department's normal practice, we added the reported duty drawback to the gross unit price. We did so in accordance with the Department's long-standing test, which requires: (1) that the import duty and rebate be directly linked to, and dependent upon, one another; and (2) that the company claiming the adjustment demonstrate that there were sufficient imports of imported raw materials to account for the duty drawback received on the exports of the manufactured product. *See Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Preliminary Results*, 65 FR 54197, 54202 (September 7, 2000) (*Preliminary Results of the 6th Review of CORE from Korea*).

Normal Value

Based on a comparison of the aggregate quantity of home market and U.S. sales, we determined that the quantity of the foreign like product sold in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States, pursuant to section 773(a) of the Act. Therefore, in accordance with section 773(a)(1)(B)(I) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade.

Where appropriate, we deducted rebates, discounts, inland freight (offset,

⁵ This rate was a calculated rate based on the weighted-average margin for Pohang Iron and Steel, the sole respondent in the investigation of corrosion-resistant steel from Korea. *See Final Determinations of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate From Korea*, 58 FR 37176, 37191-2 (July 9, 1993); *see also Amendment of Final Determinations of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate From Korea*, 58 FR 41083, 41084 (August 2, 1993).

⁶ *See Issues and Decision Memorandum for the Final Results of Antidumping Administrative Review of Cold-Rolled (CR) and Corrosion-Resistant (CORE) Carbon Steel Flat Products from Korea*, from Joseph A. Spetrini to Faryar Shirzad, Comment 1, (March 11, 2002) (Final Results of the 7th Administrative Review), on file in the CRU.

where applicable, by freight revenue), inland insurance, and packing. Additionally, we made adjustments to NV, where appropriate, for credit expenses (offset, where applicable, by interest income), warranty expenses, post-sale warehousing, and differences in weight basis. We also made adjustments, where appropriate, for home market indirect selling expenses and inventory carrying costs to offset U.S. commissions.

We also increased NV by U.S. packing costs in accordance with section 773(a)(6)(A) of the Act. We made adjustments to NV for differences in cost attributable to differences in physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act. In accordance with the Department's practice, where all contemporaneous matches to a U.S. sale observation resulted in difference-in-merchandise adjustments exceeding 20 percent of the cost of manufacturing (COM) of the U.S. product, we based NV on constructed value (CV). See Policy Bulletin, Number 92.2, *Difmer 20% Rule*, July 29, 1992.

For purposes of calculating the NV, section 771(16) of the Act defines "foreign like product" as merchandise which is either (1) identical or (2) similar to the merchandise sold in the U.S. When there are no identical products sold in the home market, the products which are most similar to the product sold in the U.S. are identified. For the non-identical or most similar products which are identified based on the Department's product matching criteria, an adjustment is made to the home market sales price to account for the actual physical differences between the products sold in the U.S. and the home market or third country market. See 19 CFR 351.411 and section 773(a)(6)(C)(ii) of the Act.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, we determined NV based on sales in the comparison market at the same level of trade (LOT) as the CEP sales, to the extent practicable. When there were no sales at the same LOT, we compared 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 selling expenses, general, and administrative expenses (SG&A), and profit.

Pursuant to section 351.412 of the Department's regulations, 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. If the comparison-market sales are 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 a LOT adjustment under section 773(a)(7)(A) of the Act. For CEP sales, 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 *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).

We did not make an adjustment under section 351.412(e) of the Department's regulations because, as there was only one home market level of trade for each respondent, we were unable to identify a pattern of consistent price differences attributable to differences in levels of trade (see 19 CFR 351.412(d)). Under section 351.412(f) of the Department's regulations, we are preliminarily granting a CEP offset for Dongbu, HYSCO, the POSCO group, and Union because NV for these companies are at a more advanced level of trade than the U.S. CEP sales.

For a detailed description of our LOT methodology and a summary of company-specific LOT findings for these preliminary results, see the August 31, 2005, company-specific calculation memoranda for Dongbu, HYSCO, the POSCO group, and Union, which are on file in the CRU.

Cost of Production/Constructed Value

A. Calculation of COP

We are investigating COP for Dongbu, HYSCO, the POSCO group, and Union because during the most recently completed segments of the proceeding in which Dongbu, HYSCO, the POSCO Group, and Union participated, the Department found and disregarded sales that failed the cost test. We calculated a company-specific COP for Dongbu, HYSCO, the POSCO Group, and Union based on the sum of each respondent's cost of materials and fabrication for the foreign like product, plus amounts for home-market selling expenses, SG&A, and packing costs in accordance with section 773(b)(3) of the Act. We relied on Dongbu's, the POSCO Group's, Union's and HYSCO's information as submitted.

B. Major Input Rule

Pursuant to section 773(f)(2) and (3) of the Act and section 351.407(b) of the Department's regulations, the Department may value major inputs purchased from affiliated suppliers at the higher of the transfer price, the market price, or the affiliate's COP. HYSCO reported purchases of raw material input accounting for a significant portion of its total material cost from an affiliated supplier. We requested that HYSCO supply its affiliate supplier's COP information for the major material input. In HYSCO's letter dated July 12, 2005 and supplemental questionnaire response dated July 15, 2005, HYSCO indicated that, despite its repeated requests, its affiliated supplier has refused to provide the COP information. Where an interested party or any other person withholds necessary information that has been requested, the application of facts available is appropriate in reaching a determination, in accordance with section 776(a) of the Act. Under section 776(b) of the Act, we may use an inference adverse to the interests of an interested party that has failed to cooperate by not acting to the best of its ability to comply with a request for information. In determining whether a respondent has acted to the best of its ability in seeking the COP information from its affiliate, the Department usually examines the nature of the affiliation, in addition to other facts. See *Certain Cut-to-Length Carbon Steel Plate from Brazil: Final Results of Antidumping Duty Administrative Review*, 63 FR 12744, 12751 (March 16, 1998) (*Plate from Brazil*). Given the nature of the affiliation, we determine that HYSCO made reasonable attempts to obtain the requested COP information from its affiliate. Therefore, we are not applying an adverse inference in selecting from the facts available.

In prior cases, we have turned to other COP information on the record, if available, as non-adverse "gap-filling" facts available. However, the record contains no other information about the affiliated supplier's COP. In prior cases, when there is no such COP data on the record and no indication that the affiliated supplier's COP is higher than the transfer or market price, we have used the higher of the transfer price or the market price as facts available. See *Plate from Brazil at 12751*; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Polyester Staple Fiber from the Republic of Korea*, 65 FR 16880 (March 30, 2000) and accompanying *Issues and Decision Memorandum* at Comment 6. As facts

available for the major input, we are using the market prices that HYSCO reported for its purchases of the major input from unaffiliated suppliers. See the August 31, 2005 *Calculation Memorandum for Hyundai HYSCO*, on file in the CRU.

C. Test of Home-Market Prices

In determining whether to disregard home-market sales made at prices below the COP, as required under sections 773(b)(1)(A) and (B) of the Act, we compared the weighted-average COP figures to home-market sales of the foreign like product and we examined whether (1) within an extended period of time, such sales were made in substantial quantities, and (2) such sales were made at prices which permitted the recovery of all costs within a reasonable period of time. On a product-specific basis, we compared the COP to the home-market prices (not including VAT), less any applicable movement charges, discounts, and rebates.

D. Results of COP Test

Pursuant to section 773(b)(1) of the Act, we may disregard below COP sales in the determination of NV if these sales have been made within an extended period of time in substantial quantities and were not at prices which permit recovery of all costs within a reasonable period of time. Where 20 percent or more of a respondent's sales of a given product during the POR were at prices less than the COP for at least six months of the POR, we determined that sales of that model were made in "substantial quantities" for an extended period of time, in accordance with sections 773(b)(2)(B) and (C) of the Act. Where prices of a respondent's sales of a given product were below the per-unit COP at the time of sale and below the weighted-average per unit costs for the POR, we determined that sales were not at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. In such cases, we disregarded the below-cost sales in accordance with section 773(b)(1) of the Act.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were 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."

We tested and identified below-cost home market sales for Dongbu, Union, the POSCO Group, and HYSCO. We disregarded individual below-cost sales

of a given product of 20 percent or more and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act. See the August 31, 2005 *Calculation Memorandum for Dongbu Steel Co., Ltd.*, *Calculation Memorandum for Hyundai HYSCO*; *Calculation Memorandum for Pohang Iron & Steel Company, Ltd. (POSCO)*, *Pohang Coated Steel Co., Ltd. (POCOS)*, and *Pohang Steel Industries Co., Ltd. (PSI)* - (collectively, the POSCO Group); and *Calculation Memorandum for Union* which are on file in the CRU.

E. Calculation of CV

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of each respondent's cost of materials, fabrication, SG&A, including interest expenses, U.S. packing costs, and profit. In accordance with section 773(e)(2)(A) of the Act, 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 foreign country. For selling expenses, we used the weighted-average home-market selling expenses. We also made adjustments, where appropriate, for home-market indirect selling expenses to offset U.S. commissions in CEP comparisons.

Arm's Length Sales

The POSCO Group reported sales of the foreign like product to an affiliated reseller/service center. Dongbu and HYSCO also reported that they made sales in the home market to affiliated parties. The Department calculates NV based on a sale to an affiliated party only if it is satisfied that the price to the affiliated party is comparable to the price at which sales are made to parties not affiliated with the producer or exporter, *i.e.*, sales at arm's length. See 19 CFR 351.403(c).

To test whether these sales were made at arm's length, we compared the starting prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, discounts and packing. In accordance with the Department's current practice, if the prices charged to an affiliated party were, on average, between 98 and 102 percent of the prices charged to unaffiliated parties for merchandise identical or most similar to that sold to the affiliated party, we considered the sales to be at arm's-length prices. See 19 CFR 351.403(c). Conversely, where we found sales to the affiliated party did not pass the arm's-length test, all sales to that affiliated

party have been excluded from the NV calculation. *Id.*

Currency Conversion

For purposes of these preliminary results, we made currency conversions in accordance with section 773A(a) of the Act, based on the official exchange rates published by the Federal Reserve Bank.

Preliminary Results of the Review

As a result of this review, we preliminarily find that the following weighted-average dumping margins exist:

Producer/Manufacturer	Weighted-Average Margin
Dongbu	2.42%
Dongshin	17.70%
HYSCO	0.0
The POSCO Group	4.13%
Union	2.19%

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties of this proceeding in accordance with 19 CFR 351.224(b). Interested parties may submit case and rebuttal briefs. The Department will announce the due date of the case briefs at a later date. Rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument. Further, parties submitting written comments are requested to provide the Department with an additional copy of the public version of any such comments on a 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, ordinarily will be held two days after the due date of the rebuttal briefs. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, or at a hearing, if requested, within 120 days of publication of these preliminary results.

Assessment Rate

Pursuant to 19 CFR 351.212(b), the Department calculated an assessment rate for each importer of the subject merchandise. Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (*i.e.*, at or above 0.5 percent), the Department will issue appraisement instructions directly to CBP to assess antidumping duties on appropriate

entries by applying the assessment rate to the entered value of the merchandise. For assessment purposes, we calculated importer-specific assessment rates for the subject merchandise by aggregating the dumping margins for all U.S. sales to each importer and dividing the amount by the total entered value of the sales to that importer. In instances where entered value was not reported, we calculated importer-specific assessment rates by aggregating the dumping margins calculated for all of the U.S. sales examined and dividing this amount by the total quantity of the sales examined. To determine whether the duty assessment rates were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer-specific *ad valorem* ratios based on export prices. The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of the final results of review.

Cash Deposit Requirements

To calculate the cash deposit rate for each producer and/or exporter included in this administrative review, we divided the total dumping margins for each company by the total net value for that company's sales during the review period.

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of CORE for Korea entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) The cash deposit rates for the companies listed above will be the rates established in the final results of these reviews, except if the 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 final results in which that manufacturer or exporter participated; (3) if the exporter is not a firm covered in these reviews, a prior review, or the original less than fair value investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent final results for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in these or any previous review conducted by the Department, the cash deposit rate will be 17.70 percent, the "All Others" rate established in the underlying investigation. *See Orders on Certain*

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

Notification to Importers

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 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 is issued and published in accordance with sections 751(a)(1) and 777(I)(1) of the Act.

Dated: August 31, 2005.

Barbara E. Tillman,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5-4867 Filed 9-6-05; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

(A-588-850, A-201-827)

Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan and Mexico; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders

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

SUMMARY: On May 2, 2005, the Department of Commerce (the Department) initiated sunset reviews of the antidumping duty orders on certain large diameter carbon and alloy seamless standard, line and pressure pipe (Large Diameter SSLPP) from Japan and Mexico pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of domestic interested parties and no response from respondent interested parties, the Department conducted expedited (120-day) sunset reviews for these orders. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. The dumping margins are identified in

the *Final Results of Reviews* section of this notice.

EFFECTIVE DATE: September 7, 2005.

FOR FURTHER INFORMATION Saliha Loucifi or David Goldberger, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1779 and (202) 482-4136, respectively.

SUPPLEMENTARY INFORMATION:

Background:

On May 2, 2005, the Department published the notice of initiation of the sunset reviews of the antidumping duty orders on Large Diameter SSLPP from Japan and Mexico, pursuant to section 751(c) of the Act. *See Initiation of Five-year (Sunset) Reviews*, 70 FR 22632 (May 2, 2005). *See also Procedures for Conducting Five-year (Sunset) Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516, 13522 (March 20, 1998). On May 17, 2005, the Department received the Notice of Intent to Participate from United States Steel Corporation (U.S. Steel) (the domestic interested party), within the deadline specified in section 351.218(d)(1)(i) of the Department's Regulations. The domestic interested party claimed interested party status under section 771(9)(c) of the Act, as a manufacturer, producer, or wholesaler of the subject merchandise in the United States.

On June 1, 2005, we received complete substantive responses from the domestic interested party within the 30-day deadline specified in section 351.218(d)(3)(i) of the Department's Regulations. On the same day, Tubos de Aceros de Mexico, S.A. (TAMSA), the sole respondent in the investigation of Large Diameter SSLPP from Mexico, and the only known producer of subject merchandise in Mexico, submitted a waiver of participation.¹ In the sunset reviews of Large Diameter SSLPP from Mexico and Japan, the Department has not received any notice of intent to participate nor substantive response from any respondent interested party. As a result, pursuant to section 751(c)(3)(B) of the Act and section 351.218(e)(1)(ii)(c)(2) of the Department's Regulations, the

¹ During the course of its investigation, the Department determined that Tubos de Aceros de Mexico, S.A. (TAMSA) was the sole producer of Large Diameter SSLPP in Mexico. *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Mexico*, 65 FR 5587 (February 4, 2000).