

published a partial extension of the time limit for the preliminary results of this first administrative review. *See Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Japan: Extension of Time Limit for Preliminary Results of Antidumping Administrative Review*, 66 FR 1952 (January 10, 2001).

#### Extension of Time Limit for Preliminary Results

This is the first administrative review of this order. There are several complex issues and, as such, it is not practicable to complete this review within the initial time limits mandated by section 751(a)(3)(A) of the Act. Therefore, we are fully extending the due date for the preliminary results until June 30, 2001. Because June 30, 2001, the date which is 365 days after the last day of the month in which the anniversary of the date of publication of the order, is a Saturday, the Department is extending the time limit for the preliminary results until the first business day thereafter, i.e., July 2, 2001. *See* 751(a)(3)(A) of the Act. The final results continue to be due 120 days after the publication of the preliminary results.

Dated: June 29, 2001.

**Joseph A. Spetrini,**

*Deputy Assistant Secretary, AD/CVD Enforcement Group III.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-588-846]

#### Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Japan: Preliminary Results of Antidumping Duty Administrative Review

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

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on hot-rolled flat-rolled carbon-quality steel products (hot-rolled steel) from Japan in response to a request by Kawasaki Steel Corporation (Kawasaki). This review covers shipments of this merchandise to the United States during the period of February 19, 1999 through May 31, 2000.

We have preliminarily determined that sales have been made below normal value (NV). If these preliminary results are adopted in our final results, we will instruct the U.S. Customs Service to

assess antidumping duties based on the difference between the export price (EP) and the NV.

Interested parties are invited to comment on these preliminary results. Parties who submit argument are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

**EFFECTIVE DATE:** July 10, 2001.

#### FOR FURTHER INFORMATION CONTACT:

Michael Strollo or Sean Carey, Antidumping/Countervailing Duty Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington DC 20230; telephone (202) 482-5255 or (202) 482-3964, 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 (2001).

#### Background

The Department published in the **Federal Register** an antidumping duty order on hot-rolled steel from Japan on June 29, 1999 (64 FR 34778). On June 30, 2000, the Department received a timely request from Kawasaki to conduct an administrative review pursuant to section 351.213(b)(2) of the Department's regulations. We published a notice of initiation of this antidumping duty administrative review on hot-rolled steel on July 31, 2000 (64 FR 46687).

The Department subsequently determined it was impracticable to complete the review within the standard time frame, and extended the deadline for completion of this antidumping duty administrative review on January 10, 2001. *See Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Japan: Extension of Time Limit for Preliminary Results of Antidumping Administrative Review*, 66 FR 1952 (January 10, 2001). On June 29, 2001, in accordance with section 751(a)(3)(A) of the Act, the Department fully extended the deadline for the completion of this antidumping duty administrative review.

#### 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:

C	Mn	P	S	Si	Cr	Cu	Ni
0.10–0.14%	0.90% Max	0.025% Max	0.005% Max	0.30–0.50%	0.50–0.70%	0.20–0.40%	0.20% Max

Width = 44.80 inches maximum;  
Thickness = 0.063–0.198 inches;

Yield Strength = 50,000 ksi minimum;  
Tensile Strength = 70,000–88,000 psi.

- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni
0.10–0.16%	0.70–0.90%	0.025% Max	0.006% Max	0.30–0.50%	0.50–0.70%	0.25% Max	0.20% Max
Mo							
0.21% Max							

Width = 44.80 inches maximum;  
Thickness = 0.350 inches maximum;

Yield Strength = 80,000 ksi minimum;  
Tensile Strength = 105,000 psi Aim.

- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni
0.10–0.14%	1.30–1.80%	0.025% Max	0.005% Max	0.30–0.50%	0.50–0.70%	0.20–0.40%	0.20% Max
V (wt.)	Cb						
0.10 Max	0.08% Max						

Width = 44.80 inches maximum;  
Thickness = 0.350 inches maximum;

Yield Strength = 80,000 ksi minimum;  
Tensile Strength = 105,000 psi Aim.

- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni
0.15% Max	1.40% Max	0.025% Max	0.010% Max	0.50% Max	1.00% Max	0.50% Max	0.20% Max
Nb	Ca	Al					
0.005% Min	Treated	0.01–0.07%					

Width = 39.37 inches; Thickness = 0.181 inches maximum;

Yield Strength = 70,000 psi minimum for thicknesses ≤ 0.148 inches and 65,000 psi minimum for thicknesses > 0.148 inches; Tensile Strength = 80,000 psi minimum.

- Hot-rolled dual phase steel, phase-hardened, primarily with a ferritic-martensitic microstructure, contains 0.9 percent up to and including 1.5 percent silicon by weight, further characterized by either (i) tensile strength between 540 N/mm<sup>2</sup> and 640 N/mm<sup>2</sup> and an elongation percentage ≥ 26 percent for thicknesses of 2 mm and above, or (ii) a tensile strength between 590 N/mm<sup>2</sup> and 690 N/mm<sup>2</sup> and an elongation

percentage ≥ 25 percent for thicknesses of 2mm and above.

- Hot-rolled bearing quality steel, SAE grade 1050, in coils, with an inclusion rating of 1.0 maximum per ASTM E 45, Method A, with excellent surface quality and chemistry restrictions as follows: 0.012 percent maximum phosphorus, 0.015 percent maximum sulfur, and 0.20 percent maximum residuals including 0.15 percent maximum chromium.
- Grade ASTM A570–50 hot-rolled steel sheet in coils or cut lengths, width of 74 inches (nominal, within ASTM tolerances), thickness of 11 gauge (0.119 inch nominal), mill edge and skin

passed, with a minimum copper content of 0.20%.

The merchandise subject to this order is classified in the HTSUS at subheadings: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7210.90.90.00, 7211.14.00.30,

7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00.

Certain hot-rolled flat-rolled carbon-quality steel covered by this order, including: vacuum degassed, fully stabilized; high strength low alloy; and the substrate for motor lamination steel may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.00.00. Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise is dispositive.

#### Period of Review

This review covers the period February 19, 1999 through May 31, 2000.

#### Verification

As provided in section 782(i) of the Act, we verified information provided by Kawasaki using standard verification procedures, including on-site inspection of the manufacturer's facilities and the examination of relevant sales and financial records.

#### Date of Sale

Kawasaki reported the date of invoice as the date of sale for both U.S. and home market sales. Kawasaki stated that the invoice/shipment date best reflects the date on which the material terms of sale are established and that price and/or quantity can and do change between order confirmation date and invoice/shipment date. On February 13, 2001, the Department requested that Kawasaki provide additional information concerning the nature and frequency of price and quantity changes occurring after the date of order confirmation. On March 6, 2001, Kawasaki reiterated that invoice/shipment date is the most appropriate date of sale, stating that a significant percentage of both home market and export orders were changed in some way between order confirmation and invoice. The Department, therefore, is preliminarily using the dates of sale reported by Kawasaki.

#### Normal Value Comparisons

To determine whether Kawasaki's sales of the subject merchandise to the United States were made at less than

NV, we compared its United States price to NV, as described in the "United States Price" and "Normal Value" sections of this notice.

#### United States Price

For United States price, we calculated an export price (EP) in accordance with section 772(a) of the Act. Because the subject merchandise was sold by Kawasaki directly to unaffiliated purchasers in Japan prior to importation into the United States, we have used the price paid by the unaffiliated purchaser in Japan. Constructed export price (CEP) was not otherwise warranted by facts on the record.

We calculated EP for Kawasaki based on packed prices to customers in the United States. We made deductions from the starting price for foreign inland freight, inland insurance, and brokerage and handling in accordance with section 772(c)(2) of the Act.

#### Normal Value

The Department determines the viability of the home market and the comparison market by comparing the aggregate quantity of home market and U.S. sales. We determined that the aggregate quantity of the foreign like product sold by Kawasaki in Japan is more than 5 percent of the aggregate quantity of its sales of the subject merchandise to the United States. We, therefore, have determined that the home market for Kawasaki is a viable market, pursuant to 19 CFR 351.404. Moreover, there is no evidence on the record supporting a particular market situation in the exporting company's country that would not permit a proper comparison of home market and U.S. prices. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we have 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 and, to the extent practicable, at the same level of trade as the EP.

In the most recently completed segment of the proceeding involving Kawasaki, i.e., the investigation, the Department disregarded Kawasaki's sales that failed the cost test. See *Notice of Final Determination of Sales at Less Than Fair Value: Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Japan*, 64 FR 24329 (May 6, 1999) (*Final Determination*). We therefore had reasonable grounds to believe or suspect, pursuant to section 773(b)(2)(A)(ii) of the Act, that Kawasaki's sales of the foreign like product under consideration for the determination of NV in this review may

have been made at prices below COP. Therefore, we initiated a COP investigation of sales in the home market for Kawasaki.

#### Calculation of COP

We compared sales of the foreign like product in the home market with model-specific cost of production figures for the period of review (POR). In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the costs of materials and fabrication employed in producing the foreign like product, plus selling, general and administrative (SG&A) expenses and all costs and expenses incidental to placing the foreign like product in packed condition and ready for shipment.

We relied on the home market sales and cost of production information Kawasaki provided in their questionnaire responses, except for the following adjustments.

We adjusted the cost of manufacture for the recalculated variance rate. In accordance with section 773(f)(2) of the Act, we increased COM to reflect the market price of electricity obtained from an affiliated party. We revised Kawasaki's G&A expense rate calculation to exclude the favorable variance in consumption tax, profit on the sale of a vegetable factory, foreign exchange loss on accounts receivables, lease fees, and lease expense. We also included in the G&A rate calculation foreign exchange losses on other items, and loss on disposal of fixed assets. We revised Kawasaki's interest expense rate calculation to exclude profit on cancellation of interest rate swap. See *Memorandum to Neal Halper From Sheikh M. Hannan through Michael Martin: Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results in the Antidumping Duty Administrative Review of Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Japan*, dated June 29, 2001 (*COP/CV Memo*).

We compared the weighted-average COPs to home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP. In determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made (1) within an extended period of time in substantial quantities, and (2) at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade, in accordance with section 773(b)(1)(A) and (B) of the Act. On a

product-specific basis, we compared the COP to home market prices, less any movement charges, discounts, and direct and indirect selling expenses.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given model were at prices less than COP, we did not disregard any below-cost sales of that model because the below-cost sales were not made in substantial quantities within an extended period of time. Where 20 percent or more of a respondent's sales of a given model were at prices less than COP, we disregarded the below-cost sales because they were made in substantial quantities within an extended period of time, in accordance with sections 773(b)(2) (B) and (C) of the Act. Because we compared prices to POR-average costs, we also determined that the below-cost prices did not permit the recovery of costs within a reasonable period of time. Based on this test, we disregarded below-cost sales of the foreign like product under review for Kawasaki.

In accordance with section 773(a)(4) of the Act, we used constructed value (CV) as the basis for NV when there were no above-cost contemporaneous sales of identical or similar merchandise in the comparison market. We calculated CV in accordance with section 773(e) of the Act. We included the cost of materials and fabrication, SG&A expenses, and profit. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the 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 relied on the submitted CV information for Kawasaki with the exception of the adjustments to COP noted above.

For those models for which there were sales at prices above COP, we based NV on home market prices to affiliated and unaffiliated parties. We used sales to affiliated customers only where we determined such sales were made at arms-length prices, i.e., at prices comparable to the prices at which the respondents sold identical merchandise to unaffiliated customers.

We made adjustments, where applicable, for packing and movement expenses in accordance with sections 773(a)(6)(A) and (a)(6)(B) of the Act. We also made adjustments for differences in the costs of manufacture for subject merchandise and matching foreign like products, attributable to their differing physical characteristics, pursuant to section 773(a)(6)(C)(ii) of the Act. In accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410, for comparison to EP, we made circumstance-of-sale (COS) adjustments to NV by deducting home market direct selling expenses (credit expenses minus short-term interest revenue, advertising, warranty expenses, technical service expenses, and other direct selling expenses minus short-term interest revenue and adding U.S. direct selling expenses (credit and advertising expenses).

#### Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same LOT as U.S. sales. The NV LOT is the level of the starting-price sale in the comparison market or, when NV is based on CV, the level of the sales from which we derive SG&A and profit. For EP, the U.S. LOT is also the level of the starting-price sale, which is usually from exporter to importer. (In this case, the starting-price sale is from the exporter to an unaffiliated trading company in Japan.)

To determine whether NV sales are at a different LOT than EP or CEP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the comparison market sales on which NV is based and sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act.

Kawasaki stated that it sold subject merchandise through four channels of trade during the POR: three for sales in the home market and one for sales to the United States. Kawasaki's U.S. sales were made to unaffiliated trading companies in Japan and reported as EP sales. Its three claimed home market

channels of trade involved sales to unaffiliated trading companies; sales to unaffiliated end-users; and sales through its affiliated reseller, Kawasho. Kawasaki claimed that its U.S. sales were made at the same LOT as its home market sales to unaffiliated trading companies.

After noting that sales by Kawasho pass through two companies before reaching the customer, whereas sales in the other chains of distribution pass directly to the customer, the Department then examined whether any differences existed with respect to the selling functions performed by Kawasaki in making sales to its three types of home market customers. For the sales through Kawasho, the Department conducted its LOT analysis based on Kawasho's sales to its customer. The information on the record indicates that the selling functions performed in connection with sales to end-users and sales through Kawasho are almost identical. The information on the record also indicates that, while there were some differences in selling functions performed in selling to end-users, directly or via affiliated trading companies, as compared to selling to unaffiliated trading companies, many selling functions were the same. Accordingly, we do not find the differences in selling functions so significant as to warrant finding a distinct LOT. In other words, the Department preliminarily finds that Kawasaki made home market sales at one level of trade during the POR. See *Memorandum for Barbara E. Tillman from Mike Strollo through Maureen Flannery: Level of Trade Analysis of Kawasaki Steel Corporation (Kawasaki) for the Preliminary Results of the First Administrative Review of Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Japan*, dated June 29, 2001 (*Kawasaki Level-of-Trade Analysis Memo*). Thus, we matched Kawasaki's EP sales to its sales in the one home market and made no LOT adjustment.

#### Currency Conversion

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

#### Preliminary Results of Review

We preliminarily determine that the following dumping margin exists:

Manufacturer/exporter	Time period	Margin (percent)
Kawasaki Steel Corporation .....	02/19/1999–05/31/2000 .....	6.54%

We will disclose to any party to the proceeding calculations performed in connection with these preliminary results of review, within five days after the date of the publication of the preliminary results of review. See 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of publication of these preliminary results. The hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs. Interested parties may submit case briefs within 30 days of the date of publication of this notice in accordance with 19 CFR 351.309(c)(1)(ii). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than five days after the time limit for filing the case briefs. 19 CFR 351.309(d). Unless extended under section 751(a)(3)(A) of the Act, 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, not later than 120 days after the date of publication of this notice.

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. Upon completion of this review, the Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of hot-rolled steel from Japan entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) For Kawasaki, the cash deposit rate will be the rate established in the final results of this review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will be the company-specific rate established for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original 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 subject merchandise; and (4) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be the rate established in the LTFV investigation, which is 29.30 percent. See *Final Determination*.

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

This notice also serves as a preliminary reminder to importers of

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

This administrative review and notice are issued in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. § 1675(a)(1) and 19 U.S.C. 1677(f)(i)(1)).

Dated: July 2, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 01-17234 Filed 7-9-01; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-588-810]

#### **Mechanical Transfer Presses From Japan: Notice of Initiation of Changed Circumstances Review of the Antidumping Order, and Preliminary Determination To Revoke the Order, in Part**

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

**SUMMARY:** In accordance with section 351.216(b) of the Department's regulations, Sumitomo Heavy Industries, Ltd. (Sumitomo) filed a request for a changed circumstances review of the antidumping order on mechanical transfer presses from Japan with respect to large, hot-forging presses as described below. Domestic producers of the like product have expressed no interest in continuation of the order with respect to these particular mechanical transfer presses. In response to Sumitomo's request, the Department of Commerce (the Department) is initiating a changed circumstances review with respect to this request and issuing a notice of intent to revoke, in part, the antidumping duty order on mechanical transfer presses from Japan as it pertains to large, hot-forging presses. Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** July 10, 2001.

**FOR FURTHER INFORMATION CONTACT:**

Mark Hoadley, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW.,

Washington, DC 20230; telephone: (202) 482-0666.

### **The Applicable Statute and Regulations**

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, as amended ("the Act"), by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations as codified at 19 CFR part 351 (2000).

### **SUPPLEMENTARY INFORMATION:**

#### **Background**

On May 3, 2001, Sumitomo requested that the Department revoke, in part, the antidumping duty order on mechanical transfer presses from Japan as it pertains to large, hot-forging presses. Specifically, Sumitomo requested that the Department revoke the order with respect to imports meeting the following specifications: automatic forging presses within the current scope of the order, which operate at a forging temperature of 900 degrees centigrade or higher, and which have a capacity of 1600 metric tons or greater. Sumitomo is a foreign producer of the products in question.

Attached to its request, Sumitomo submitted two letters from the only two domestic parties claiming to be producers of subject merchandise, Enprotech Mechanical Services, Inc. (Enprotech) and IHI-Verson Press Technology, LLC. (Verson), stating that they did not oppose excluding large, hot-forging presses, as defined above, from the scope of the order.

On June 11, 2001, we sent letters to all three domestic interested parties who have expressed an interest in this proceeding, the two domestic producers noted above and the International Union, United Auto Workers, requesting comments either supporting or objecting to the revocation of the order, in part, with respect to large, hot-forging presses by June 15, 2001. As foreign producers participated in an earlier request for a changed circumstances review, we sent the same letter to Komatsu Ltd., Hitachi Zosen Corporation, and Hitachi Zosen Fukui Corporation, foreign producers of the subject merchandise. We received no comments in opposition to the changed circumstances review or the revocation, in part.

#### **Scope of Review**

Imports covered by this review include MTPs currently classifiable under Harmonized Tariff Schedule (HTSUS) item numbers 8462.99.0035 and 8466.94.5040. The HTSUS