

Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

#### Analysis of Comments Received

All issues raised in this review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated July 30, 2004, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the finding were to be revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memo, which is on file in room B-099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>, under the heading "August 2004." The paper copy and electronic version of the Decision Memo are identical in content.

#### Final Results of Review

We determine that revocation of the antidumping duty order on sebacic acid from China would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average percentage margins:

Manufacturers/exporters/producers	Weighted-average margin (percent)
Sinochem Jiangsu Import & Export Corporation.	85.48
Tianjin Chemicals Import & Export Corporation.	Revoked
Guangdong Chemicals Import & Export Corporation.	57.00
Sinochem International Chemicals Company.	43.72
China-wide rate .....	243.40

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: July 30, 2004.

**James J. Jochum,**

*Assistant Secretary for Import Administration.*

[FR Doc. 04-17935 Filed 8-5-04; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-427-814]

#### Preliminary Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils From France

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

**SUMMARY:** In response to requests from Ugine and ALZ France S.A. (U&A France), (the Respondent), and Allegheny Ludlum Corporation, AK Steel, Inc., North American Stainless, United Steelworkers of America, AFL-CIO/CLC, Butler Armco Independent Union, and Zanesville Armco Independent Organization (collectively, the Petitioners), the U.S. Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on stainless steel sheet and strip in coils (SSSS) from France for the period July 1, 2002, through June 30, 2003. The Department preliminarily determines that U&A's sales of SSSS in the United States were made at less than normal value (NV). If these preliminary results are adopted in our final results of this administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on entries of U&A France's merchandise during the period of review. The preliminary results are listed in the section titled "Preliminary Results of Review," *infra*.

**EFFECTIVE DATE:** August 6, 2004.

**FOR FURTHER INFORMATION CONTACT:** Sebastian Wright or Mark Hoadley, Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Washington, DC 20230; telephone: 202-482-5254 and 202-482-3148.

#### Background

On July 27, 1999, the Department published the amended final

determination and antidumping duty order on SSSS from France in the **Federal Register**. See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils from France*, 64 FR 40562 (July 27, 1999) (*Antidumping Duty Order*). On July 2, 2003, the Department published in the **Federal Register** a notice of "Opportunity to Request Administrative Review" of the antidumping duty order on stainless steel sheet and strip in coils from France for the period July 1, 2002, through June 30, 2003. See *Notice of Opportunity to Request Administrative Review of Antidumping Duty or Countervailing Duty Order, Finding, or Suspended Investigation*, 68 FR 39511 (July 2, 2003). On July 30, 2003, the Petitioners requested that the Department conduct a review of U&A France's sales or entries of merchandise subject to the Department's antidumping duty order on SSSS from France. On July 31, 2003, U&A France, a producer and exporter of subject merchandise, also requested that the Department conduct a review of U&A France's sales or entries of subject merchandise for the POR. On August 22, 2003, in accordance with section 751(a) of the Act, the Department published in the **Federal Register** a notice of initiation of this antidumping duty administrative review for the period July 1, 2002, through June 30, 2003. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 68 FR 50750 (August 22, 2003). On September 10, 2003, the Petitioners also filed a timely request for a duty absorption review in accordance with section 751(a)(4) of the Act, and section 351.213(j)(1) of the Department's regulations.

On September 8, 2003, the Department issued a questionnaire to U&A France. On September 24, 2003, U&A France requested an extension in which to file its response to Section A of the Department's questionnaire. On September 26, the Department issued a letter granting U&A France an extension for Section A responses to October 14, 2003. On October 14, 2003, U&A France filed its response to Section A.<sup>1</sup>

<sup>1</sup> Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under review that it sells, and the manner in which it sells the merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (this section is not applicable to respondents in non-market economy cases). Section C requests a complete listing of U.S. sales. Section D requests

On October 8, 2003, U&A France requested an extension until November 14 in which to file its response to Sections B, C, D, and E of the Department's questionnaire. On October 10, 2003, the Department sent U&A France a letter granting a partial extension until October 31, 2003, for submitting Sections B, C, D, and E.

On October 20, 2003, the Department sent a letter to U&A France requesting duty absorption information. On October 24, 2003, U&A France sent a letter to the Department requesting a second extension on Sections B, C, D, and E of the Department's questionnaire. On October 29, the Department sent U&A France a letter granting an extension until November 21 for the submission of Sections B, C, D, and E of the questionnaire. On November 19, 2003, the Department sent U&A France a second letter requesting duty absorption information. On November 21, 2003, U&A France submitted its responses to Sections B, C, D, and E of the Department's questionnaire. On November 26, 2003, the Petitioners submitted their comments on U&A France's response to Section A of the Department's questionnaire. On December 2, 2003, U&A France submitted information on packing.

On December 22, 2003, the Department sent U&A France a supplemental Section A questionnaire. On December 24, 2003, U&A France sent the Department a letter requesting an extension of two weeks in which to submit its responses to the supplemental Section A questionnaire. On December 29, 2003, the Department sent a letter to U&A France granting the requested two-week extension.

On January 13, 2004, the Petitioners submitted their comments to U&A France's responses to sections B, C, D, and E of the Department's questionnaire. On January 14, 2004, the Petitioners sent the Department a letter to supplement their January 13, 2004, letter.

On January 14, 2004, U&A France sent the Department a second request for an extended deadline for supplemental Section A. On January 16, 2004, the Department sent a letter to U&A France granting a partial extension of two weeks for the deadline to the supplemental Section A questionnaire. On January 30, 2004, U&A France sent another request for the Department to further extend the deadline for

supplemental Section A by three days. On January 30, 2004, the Department sent U&A France a letter granting this extension for supplemental Section A, extending the deadline to February 6, 2004.

On February 3, 2004, the Department sent U&A France a letter requesting information on downstream sales of subject merchandise. On February 10, 2004, U&A France submitted its response to the Department's February 3, 2004, letter regarding downstream sales. On March 24 and March 25, 2004, the Department sent requests for supplemental information to U&A France's responses to Sections B and C of the questionnaire. On April 8, 2004, U&A France sent the Department a letter requesting an extension until April 21 in which to submit its responses to supplemental Sections B and C. On April 9, the Department sent a letter to U&A France extending the deadline for supplemental Sections B and C, as well as information on downstream sales, to April 21, 2004.

On April 19, 2004, the Department sent U&A France a supplemental questionnaire for sections D and E. On April 21, 2004, U&A France submitted its responses to supplemental sections B and C of the Department's March 24 and March 25 questionnaires. On April 23, 2004, U&A France sent the Department a letter requesting an extension of the deadline for supplemental Sections D and E. On April 26, 2004, the Department granted U&A France's deadline extension request. On May 10, 2004, U&A France sent a letter requesting an additional deadline extension for supplemental Sections D and E. On May 11, 2004, the Department sent a letter to U&A France granting the extension request and establishing a new deadline of May 19, 2004.

On May 10, 2004, the Respondent submitted information regarding the country-of-origin of U&A France's merchandise. On July 1, 2004, the Petitioners responded to U&A France's submission. On July 19, 2004, U&A France submitted comments on the Petitioners' July 1 submission. These comments are discussed in the section titled "Country of Origin," *infra*.

On February 26, 2004, the Department extended the time limit for the preliminary results of the antidumping duty administrative review. *See Notice of Extension of Time Limit of the Preliminary Results of Antidumping Duty Administrative Review 2002-2003: Stainless Steel Sheet and Strip in Coils from France*, 69 FR 8936 (February 26, 2004).

## Period of Review

The period of review (POR) is July 1, 2002, through June 30, 2003.

## Scope of the Antidumping Duty Order

The products covered by this antidumping duty order are certain stainless steel sheet and strip in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product in coils that is greater than 9.5 mm in width and less than 4.75 mm in thickness, and that is annealed or otherwise heat treated and pickled or otherwise descaled. The subject sheet and strip may also be further processed (*e.g.*, cold-rolled, polished, aluminized, coated, *etc.*) provided that it maintains the specific dimensions of sheet and strip following such processing.

The merchandise subject to this order is currently classifiable in the *Harmonized Tariff Schedule of the United States* (HTS) at subheadings:

7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.1300.81<sup>2</sup>, 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.20.8000, 7220.20.9030, 7220.20.9060, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080.

Although the HTS subheadings are provided for convenience and CBP purposes, the Department's written description of the merchandise under review is dispositive.

information on the cost of production of the foreign like product and the constructed value of the merchandise under review. Section E requests information on further manufacturing.

<sup>2</sup> Due to changes to the HTS numbers in 2001, 7219.13.0030, 7219.13.0050, 7219.13.0070, and 7219.13.0080 are now 7219.13.0031, 7219.13.0051, 7219.13.0071, and 7219.13.0081, respectively.

Excluded from the order are the following: (1) Sheet and strip that is not annealed or otherwise heat treated and pickled or otherwise descaled, (2) sheet and strip that is cut to length, (3) plate (*i.e.*, flat-rolled stainless steel products of a thickness of 4.75 mm or more), (4) flat wire (*i.e.*, cold-rolled sections, with a prepared edge, rectangular in shape, of a width of not more than 9.5 mm), and (5) razor blade steel. Razor blade steel is a flat-rolled product of stainless steel, not further worked than cold-rolled (cold-reduced), in coils, of a width of not more than 23 mm and a thickness of 0.266 mm or less, containing, by weight, 12.5 to 14.5 percent chromium, and certified at the time of entry to be used in the manufacture of razor blades. See Chapter 72 of the HTS, "Additional U.S. Note" 1(d).

Flapper valve steel is also excluded from the scope of the order. This product is defined as stainless steel strip in coils containing, by weight, between 0.37 and 0.43 percent carbon, between 1.15 and 1.35 percent molybdenum, and between 0.20 and 0.80 percent manganese. This steel also contains, by weight, phosphorus of 0.025 percent or less, silicon of between 0.20 and 0.50 percent, and sulfur of 0.020 percent or less. The product is manufactured by means of vacuum arc remelting, with inclusion controls for sulphide of no more than 0.04 percent and for oxide of no more than 0.05 percent. Flapper valve steel has a tensile strength of between 210 and 300 ksi, yield strength of between 170 and 270 ksi, plus or minus 8 ksi, and a hardness (Hv) of between 460 and 590. Flapper valve steel is most commonly used to produce specialty flapper valves in compressors.

Also excluded is a product referred to as suspension foil, a specialty steel product used in the manufacture of suspension assemblies for computer disk drives. Suspension foil is described as 302/304 grade or 202 grade stainless steel of a thickness between 14 and 127 microns, with a thickness tolerance of plus-or-minus 2.01 microns, and surface glossiness of 200 to 700 percent Gs. Suspension foil must be supplied in coil widths of not more than 407 mm, and with a mass of 225 kg or less. Roll marks may only be visible on one side, with no scratches of measurable depth. The material must exhibit residual stresses of 2 mm maximum deflection, and flatness of 1.6 mm over 685 mm length.

Certain stainless steel foil for automotive catalytic converters is also excluded from the scope of this order. This stainless steel strip in coils is a specialty foil with a thickness of between 20 and 110 microns used to produce a metallic substrate with a

honeycomb structure for use in automotive catalytic converters. The steel contains, by weight, carbon of no more than 0.030 percent, silicon of no more than 1.0 percent, manganese of no more than 1.0 percent, chromium of between 19 and 22 percent, aluminum of no less than 5.0 percent, phosphorus of no more than 0.045 percent, sulfur of no more than 0.03 percent, lanthanum of less than 0.002 or greater than 0.05 percent, and total rare earth elements of more than 0.06 percent, with the balance iron.

Permanent magnet iron-chromium-cobalt alloy stainless strip is also excluded from the scope of this order. This ductile stainless steel strip contains, by weight, 26 to 30 percent chromium, and 7 to 10 percent cobalt, with the remainder of iron, in widths 228.6 mm or less, and a thickness between 0.127 and 1.270 mm. It exhibits magnetic remanence between 9,000 and 12,000 gauss, and a coercivity of between 50 and 300 oersteds. This product is most commonly used in electronic sensors and is currently available under proprietary trade names such as "Arnokrome III."<sup>3</sup>

Certain electrical resistance alloy steel is also excluded from the scope of this order. This product is defined as a non-magnetic stainless steel manufactured to American Society of Testing and Materials (ASTM) specification B344 and containing, by weight, 36 percent nickel, 18 percent chromium, and 46 percent iron, and is most notable for its resistance to high temperature corrosion. It has a melting point of 1390 degrees Celsius and displays a creep rupture limit of 4 kilograms per square millimeter at 1000 degrees Celsius. This steel is most commonly used in the production of heating ribbons for circuit breakers and industrial furnaces, and in rheostats for railway locomotives. The product is currently available under proprietary trade names such as "Gilphy 36."<sup>4</sup>

Certain martensitic precipitation-hardenable stainless steel is also excluded from the scope of this order. This high-strength, ductile stainless steel product is designated under the Unified Numbering System (UNS) as S45500-grade steel, and contains, by weight, 11 to 13 percent chromium, and 7 to 10 percent nickel. Carbon, manganese, silicon and molybdenum each comprise, by weight, 0.05 percent or less, with phosphorus and sulfur each comprising, by weight, 0.03 percent or less. This steel has copper,

niobium, and titanium added to achieve aging, and will exhibit yield strengths as high as 1700 Mpa and ultimate tensile strengths as high as 1750 Mpa after aging, with elongation percentages of 3 percent or less in 50 mm. It is generally provided in thicknesses between 0.635 and 0.787 mm, and in widths of 25.4 mm. This product is most commonly used in the manufacture of television tubes and is currently available under proprietary trade names such as "Durphynox 17."<sup>5</sup>

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of this order. These include stainless steel strip in coils used in the production of textile cutting tools (*e.g.*, carpet knives).<sup>6</sup> This steel is similar to AISI grade 420 but containing, by weight, 0.5 to 0.7 percent of molybdenum. The steel also contains, by weight, carbon of between 1.0 and 1.1 percent, sulfur of 0.020 percent or less, and includes between 0.20 and 0.30 percent copper and between 0.20 and 0.50 percent cobalt. This steel is sold under proprietary names such as "GIN4 Mo." The second excluded stainless steel strip in coils is similar to AISI 420-J2 and contains, by weight, carbon of between 0.62 and 0.70 percent, silicon of between 0.20 and 0.50 percent, manganese of between 0.45 and 0.80 percent, phosphorus of no more than 0.025 percent and sulfur of no more than 0.020 percent. This steel has a carbide density on average of 100 carbide particles per 100 square microns. An example of this product is "GIN5" steel. The third specialty steel has a chemical composition similar to AISI 420 F, with carbon of between 0.37 and 0.43 percent, molybdenum of between 1.15 and 1.35 percent, but lower manganese of between 0.20 and 0.80 percent, phosphorus of no more than 0.025 percent, silicon of between 0.20 and 0.50 percent, and sulfur of no more than 0.020 percent. This product is supplied with a hardness of more than Hv 500 guaranteed after customer processing, and is supplied as, for example, "GIN6."<sup>7</sup>

#### Successorship

Ugine S.A., an entity involved in the production and sale of subject merchandise in the United States, changed its name early in this POR to Ugine & ALZ France S.A. We conducted

<sup>5</sup> "Durphynox 17" is a trademark of Imphy, S.A.

<sup>6</sup> This list of uses is illustrative and provided for descriptive purposes only.

<sup>7</sup> "GIN4 Mo," "GIN5" and "GIN6" are the proprietary grades of Hitachi Metals America, Ltd.

<sup>3</sup> "Arnokrome III" is a trademark of the Arnold Engineering Company.

<sup>4</sup> "Gilphy 36" is a trademark of Imphy, S.A.

a successorship review during the prior POR (in order to issue assessment instructions) and concluded that U&A France is the successor to Ugine for purposes of applying the antidumping duty law. *See Preliminary Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from France*, 68 FR 47051, 47052 (August 7, 2003); *Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils From France*, 68 FR 69379 (December 12, 2003).

#### Country of Origin

U&A France urges the Department to exclude certain U.S. and home market sales made during the POR because these sales are outside the scope of this order. The Respondent argues that the Department should not include sales of merchandise that are hot-rolled in Belgium and then annealed and pickled in France, but which are not cold-rolled in France (HRAP), because this merchandise is of Belgian origin and not within the scope of the order. The Respondent explains that it produces stainless steel slab in France. The stainless steel slabs are then transported to Belgium where they are hot rolled pursuant to a "toll processing arrangement." The Respondent contends that the hot-rolling in Belgium is substantial transformation which changes the country of origin for the subject merchandise from France to Belgium. The Respondent notes that the Department has previously determined that hot-rolling stainless steel slabs constituted substantial transformation which changed the country of origin. *See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils from the U.K.* 64 FR 30688 (June 9, 1999) (SSSS U.K.). In *SSSS U.K.*, the Department determined that British stainless steel slabs which were hot-rolled in Sweden and subsequently returned to the United Kingdom for finishing were outside the scope of the investigation because the hot-rolling process constituted substantial transformation.

The Respondent also contends that the tolling arrangement between U&A France and the Belgian hot-roller has no bearing on the country of origin of the subject merchandise. The Respondent asserts that country of origin is not determined by reference to the ownership of the material. The Respondent notes that in *SSSS U.K.*, the Department did not consider the tolling arrangement between the U.K. and Swedish companies in arriving at its country-of-origin decision, nor did it in the context of a scope ruling. *See Final*

*Scope Ruling on Antidumping Order on Polyvinyl Alcohol from Taiwan*, (December 19, 1996) (*Polyvinyl Alcohol Scope Ruling*). The Respondent argues that in *Polyvinyl Alcohol Scope Ruling*, the Department did not consider the tolling relationship in making its determination that the merchandise had been substantially transformed.

The Petitioners counter that the Department should include the HRAP merchandise within the scope of this order because the merchandise is of French origin. The Petitioners say that the Department is not required to dissect each stage of production to determine substantial transformation. The Petitioners argue that the Act gives the Department discretion to consider the totality of circumstances surrounding the production of the merchandise to determine country-of-origin issues. The Petitioners contend that the Department has the discretion to perform the substantial transformation test in a manner that compares how much of the production process of the subject merchandise occurred in France and how much occurred at the affiliated producer in Belgium. The Petitioners argue that the overall value of the finished SSSS exported from France is attributable to activity in France and controlled by the French producer.

The Petitioners argue that the Department should consider the following seven factors under its totality of the circumstances review to determine the country of origin of the HRAP merchandise: (1) U&A France maintains ownership and control of the product at all times; (2) U&A France purchases only a hot-rolling service from the Belgium affiliate and the transfer of funds to pay for this service is an intra-company transfer within the Arcelor Group; (3) U&A France and the Belgian affiliate are collapsible entities under the Department's regulations and can be treated as a single unit of production for the purpose of establishing the locus of production; (4) the hot-rolled product is an intermediate product that has no commercial purpose except to become finished hot- or cold-rolled SSSS; (5) the SSSS becomes subject merchandise only after the annealing and pickling occurs in France; (6) the hot-rolling in Belgium contributes only minimally to the total cost of production of the finished SSSS product; and (7) the final product is sold by U&A France to French affiliates. The Petitioners argue that these seven factors considered as a whole are sufficient to enable the Department to find that the HRAP merchandise is subject merchandise.

The Petitioners also argue that the *SSSS U.K.* case on which the Respondent relies is not dispositive of this case because, in the *SSSS U.K.* case, the SSSS slab was sold to the Swedish hot-roller. According to the Petitioners, this fact distinguishes the *SSSS U.K.* case from the present case, because in the former, the Respondent did not maintain control of the merchandise as U&A France does in this case.

Next, the Petitioners contend that the Department's 1994 policy memorandum concerning tolling methodology and country of origin does not support the Respondent's arguments regarding the HRAP merchandise. *See Memorandum from Joseph A. Spetrini, Deputy Assistant Secretary for Compliance, Through Paul L. Joffe, Deputy Assistant Secretary for Import Administration, To Susan G. Esserman, Assistant Secretary for Import Administration, Discussion Memorandum: A Proposed Alternative to Current Tolling Methodology in the Current Antidumping (AD) Review of Carbon Steel Flat Products*, (December 12, 1994) (*Tolling Memorandum*). The Petitioners say that the *Tolling Memorandum* was focused primarily on respondent selection and the selection of the correct seller's price, and not on determining what constitutes substantial transformation in the context of tolling. Accordingly, the Petitioners contend that the *Tolling Memorandum* does not prevent the Department from making tolling or other factors relevant considerations in whether a product is substantially transformed in the tolling country.

For purposes of these preliminary results, we have considered the record evidence and arguments submitted by the Petitioners and the Respondent, addressing the treatment of U&A France's HRAP merchandise. As summarized above, the Petitioners and the Respondent have commented on how the Department should examine the HRAP material in light of the scope of the order, the Department's tolling regulation, and substantial transformation. Considering the specific facts surrounding this case, we preliminarily find that Department should classify the HRAP merchandise as Belgian merchandise, outside the scope of the order in this case. Therefore, for purposes of the preliminary results, we have excluded sales of the HRAP merchandise from our analysis. However, we will continue to analyze the record evidence and arguments raised by the parties for purposes of the final results.

## Affiliation of Parties

Arcelor S.A. (Arcelor) owns 98.97 percent of Usinor S.A. (Usinor). U&A France, in turn, is a wholly owned subsidiary of Usinor. Additionally, Arcelor owns 99.43 percent of Arbed S.A. (Arbed), and 95.03 percent of Aceralia Corporación Siderúrgica S.A. (Aceralia). Imphy Ugine Precision (IUP), which re-rolls merchandise purchased from U&A France, is also a subsidiary (wholly owned) of Usinor.<sup>8</sup> See Section A Response of Ugine & ALZ France S.A., dated October 14, 2003, at 17 (*Section A Response*).

U&A France and IUP made sales through two affiliated U.S. companies, Arcelor Stainless USA, Inc. (Arcelor Stainless USA) and Rahns Specialty Metals, Inc. (Rahns), respectively. Arcelor Stainless USA and Rahns made sales to an affiliate, Hague Steel Corporation (Hague), and also to unaffiliated customers. Hague then resold subject merchandise to unaffiliated customers both with and without further processing. Arcelor Stainless USA and Hague are wholly owned by Ugine Gueugnon, LLC, which in turn is wholly owned by Usinor USA Holding, LLC. Usinor USA Holding, LLC is wholly owned by J&L Specialty Steel, LLC, which is wholly owned by Arcelor USA Holding. Arcelor USA Holding is owned by Usinor, and several other companies, which are all wholly owned by Arcelor. *Id.*

We note that these facts constitute only minor changes to the ownership structure of these companies in this POR—most of the facts are virtually identical to those of the last review. As a result, the Department preliminarily determines that there is no reason to revisit our affiliation determinations from the previous review. See *Preliminary Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from France*, 68 FR 47049 47051–52 (August 7, 2003) (*French SSSS 3rd Preliminary*).

## Normal Value Comparisons

To determine whether U&A France's sales of subject merchandise to the United States were made at less than fair value, we compared the constructed export price (CEP) to the normal value (NV), as described in the "Constructed Export Price" and "Normal Value" sections of this notice, *infra*. In accordance with section 777A(d)(2) of the Act, we calculated monthly weighted-average prices for NV and

compared these to individual CEP transactions.

## Transactions Reviewed

### A. Home Market Viability

In accordance with section 773(a)(1) of the Act, to determine whether there were sufficient sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is greater than or equal to five percent of the aggregate volume of U.S. sales), we compared U&A France's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise. Pursuant to section 773(a)(1)(B) of the Act, because U&A France's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable.

### B. Arm's-Length Test

U&A France reported that it made sales in the home market to affiliated end users and resellers during the POR. Sales to affiliated customers in the home market not made at arm's-length were excluded from our analysis (with the exception of one company, PUM, discussed *infra*). 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. Where identical merchandise was not sold to unaffiliated customers, we based the comparisons on sales of the most similar merchandise. Where prices to the affiliated party were on average between 98 and 102 percent of the price to the unrelated party, we determined that sales made to the related party were at arm's-length. See 19 CFR 351.403(c); *Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186 (November 15, 2002). In our home market NV calculation, we have included U&A France's sales to certain of its affiliated customers because these entities passed the Department's arm's-length test criteria. Conversely, certain other affiliated customers did not pass the arm's-length test, and therefore sales to these affiliates have been excluded from our home market NV calculation.

For the two resellers not passing the arm's-length test, U&A France did not provide downstream sales information. For one of these two resellers ("Bernier"), the Department eliminated the sales from consideration because U&A France had satisfactorily explained

that they were unable to obtain the downstream information. Specifically, U&A France explained that Bernier had been sold to a competitor during the POR, and that it was no longer in a position to compel Bernier to cooperate. See Supplemental Questionnaire Response of Ugine & ALZ France S.A., dated February 10, 2004, at 3 (*Feb. 10th Supplemental*). For the second reseller ("PUM"), however, the Department preliminarily determines that it is appropriate to apply adverse facts available for the missing downstream sales information.

Section 776(a)(2) of the Act provides that if an interested party: (A) Withholds information that has been requested by the Department; (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act; (C) significantly impedes a determination under the antidumping statute; or (D) provides such information but the information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination. Consistent with sections 776(a)(2)(A) and (B) of the Act, we preliminarily find that the use of facts available is warranted for PUM's downstream sales information. In the September 8, 2003 Section A questionnaire, the Department requested that U&A France report downstream sales for all affiliated resellers. On March 25, 2004, the Department sent U&A France a letter again requesting the downstream sales for all three affiliated resellers. On April 21, 2004, U&A France submitted a response to that letter, reiterating the arguments in its *Section A Response*, and in the *Feb. 10th Supplemental*, that resales by these three affiliated customers need not be reported. In its response, U&A France argued that one reseller had passed the arm's-length test, that one, Bernier, was no longer under its control, and that sales by PUM were insignificant and would not be used as matches for U.S. sales. U&A France also claimed that it would be difficult to collect all of the information requested by the Department. It did not provide any of the requested downstream sales information in the database provided with that submission, nor did it include that information in the final revised home market database it submitted on May 19, 2004.

To date, U&A France has not provided the downstream sales by any affiliated reseller. However, as discussed above, PUM is the only remaining reseller for which downstream sales should have

<sup>8</sup>For the purposes of this review, we consider IUP and U&A France to be one respondent and have collapsed their responses.

been reported. Therefore, consistent with sections 776(a)(2)(A) and (B) of the Act, because U&A France withheld information that had been requested by the Department and failed to provide such information in a timely manner, the Department is applying facts otherwise available. In addition, section 776(b) of the Act provides that, if the Department finds that an interested party "has failed to cooperate to the best of its ability to comply with a request for information," the Department may use information that is adverse to the interests of that party as facts otherwise available. U&A France explicitly refused to provide downstream information for PUM, claiming that to do so would be overly burdensome given the insignificant volume of this reseller's sales compared to the aggregate home market sales volume, and that the product sold by this reseller would not be matched to products sold in the United States. *See Feb. 10th Supplemental*, at 4, and Supplemental Questionnaire Response of Uginé & ALZ France S.A., dated April 21, 2004, at 1–5 (*April 21st Supplemental*). Because U&A France explicitly refused to provide the requested downstream sales by PUM, the Department preliminarily determines that, in accordance with section 776(b) of the Act, the application of partial adverse facts available is appropriate. This situation is different than that of Bernier, U&A France's other reseller, that failed the arm's-length test. For Bernier, U&A France no longer had the control necessary to compel cooperation. For PUM, however, U&A France did not claim that its control over PUM was anything less than complete, or that it was otherwise unable to obtain the requested downstream sales information. U&A France chose not to provide the information simply because it could not see any reason for doing so that would justify the effort.

As adverse facts available, we will use the higher of the price charged to PUM (the "upstream" price) or the price charged for the most similar product purchased in the home market by an unaffiliated customer.<sup>9</sup> In selecting this

information as adverse facts available, we took into consideration the small volume of the sales involved.

#### C. Date of Sale

As stated at 19 CFR 351.401(i), the Department normally will use the respondent's invoice date as the date of sale unless another date better reflects the date upon which the exporter or producer establishes the essential terms of sale. For U.S. sales, U&A France reported either invoice date, date of entry, or shipment date as the date of sale, depending on the distribution channel. The Department preliminarily finds that invoice date is the correct date of sale for U.S. sales.

For home market sales, U&A France reported invoice date as the date of sale, except for one distribution channel with "sales for which the invoice was issued after shipment," for which it reported shipment date as the date of sale. It also explained what terms of sale are established after shipment for these sales. These terms, established after shipment, have some effect on the material terms of sale, namely quantity. In addition, according to U&A France, sales revenue is not recognized until the invoices are issued for these sales. Moreover, sales through this channel constitute a clear minority of home market sales, and the Department's preference is to use only one sales date per market. Thus, we preliminarily determine that invoice date is the correct date of sale for all home market sales.

#### Product Comparisons

In accordance with section 771(16) of the Act, we considered all SSSS products covered by the "Scope of the Antidumping Order" section of this notice, *supra*, and sold in the home market during the POR, to be foreign like products for the purpose of determining appropriate product comparisons to U.S. sales of SSSS products. We relied on nine characteristics to match U.S. sales of subject merchandise to comparison sales of the foreign like product (listed in order of preference): (1) Grade; (2) hot/cold rolled; (3) gauge; (4) surface finish; (5) metallic coating; (6) non-metallic coating; (7) width; (8) temper; and (9) edge trim. Where there were no sales 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 and reporting

instructions listed in the Department's questionnaire.

#### Normal Value

After testing home market viability and whether home market sales were at prices below the cost of production, we calculated NV as noted in the "Price-to-Constructed Value (CV) Comparison" and "Price-to-Price Comparisons" sections of this notice.

#### Cost of Production Analysis

Because we disregarded sales below the cost of production in the most recently completed segments of this proceeding on SSSS from France, we have reasonable grounds to believe or suspect that sales by U&A France in its home market were made at prices below the cost of production (COP), pursuant to section 773(b)(1) of the Act. *See Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils From France*, 68 FR 69379 (December 12, 2003). Therefore, pursuant to section 773(b)(1) of the Act, we conducted a COP analysis of home market sales by U&A France as described below.

##### A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of U&A France's cost of materials and fabrication for the foreign like product, plus amounts for selling, general and administrative expenses (SG&A), including interest expenses, and packing costs. We relied on the COP data submitted by U&A France in its original and supplemental cost questionnaire responses.

##### B. Test of Home Market Prices

We compared the weighted-average COP for U&A France 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 sections 773(b)(1)(A) and (B) of the Act. On a product-specific basis, we compared the COP to home market prices, less any applicable billing adjustments, movement charges, discounts, and direct and indirect selling expenses.

<sup>9</sup>In past reviews of this order, we have used only the price charged for the most similar product purchased in the home market by an unaffiliated customer. *See, e.g., French SSSS 3rd Preliminary*, 68 FR at 47055. However, the arm's-length test has changed since the initiation of the last review. The Department now rejects sales to affiliates if the average price is lower than 98 percent or higher than 102 percent of the average price to unaffiliated customers for the same products. Thus, we must now take into consideration the fact that the price paid for the most similar product by an unaffiliated customer might be higher or lower than the price paid by the affiliate. *See* 19 CFR 351.403(c);

*Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186 (November 15, 2002).

### C. Results of the COP Test

Pursuant to section 773(b)(2) of the Act, where less than 20 percent of U&A France'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." Where 20 percent or more of U&A France's sales of a given product during the POR were at prices less than the COP, we determined that such sales have been made in "substantial quantities" within an extended period of time, in accordance with section 773(b)(2)(B) of the Act. In such cases, because we use POR average costs, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, we disregarded the below-cost sales.

### D. Calculation of Constructed Value

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of U&A France'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 amounts incurred and realized by U&A France 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 actual weighted-average home market direct and indirect selling expenses.

### Export Price

In accordance with section 772(a) of the Act, export price (EP) is 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. In accordance with section 772(b) of the Act, CEP is 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.

For purposes of this review, U&A France classified all of its reported sales of SSSS as CEP sales. During the review period U&A France made sales to the

United States through its three U.S. based affiliates, Arcelor Stainless USA, Rahn, and Hague, which then resold the merchandise to unaffiliated customers. Therefore, because U&A France's U.S. sales were made by Arcelor Stainless USA, Rahn, and Hague after the subject merchandise was imported into the United States, it is appropriate to classify these sales as CEP sales.

We calculated the CEP in accordance with section 772(b) of the Act. We based CEP on the packed ex-warehouse or delivered prices to unaffiliated purchasers in the United States. We also made deductions for the following movement expenses, where appropriate, in accordance with section 772(c)(2)(A) of the Act: foreign inland freight from plant to distribution warehouse, international freight, marine insurance, U.S. inland freight from port to warehouse, U.S. inland freight from warehouse/plant to the unaffiliated customer, U.S. warehouse expenses, other U.S. transportation expense, wharfage expenses, and customs duties. In accordance with section 772(d)(1) of the Act, we deducted selling expenses associated with economic activities occurring in the United States, including direct selling expenses, inventory carrying costs, credit, warranty expenses, commissions and other indirect selling expenses.

For products that were further manufactured by Hague after importation, we adjusted for all costs of further manufacturing in the United States, in accordance with section 772(d)(2) of the Act. In calculating the cost of further manufacturing for Hague, we relied upon the further manufacturing information provided by U&A France.

We deducted the profit allocated to expenses deducted under sections 772(d)(1) and (d)(2), in accordance with sections 772(d)(3) and 772(f) of the Act. In accordance with section 772(f) of the Act, we computed profit based on total revenues realized on sales in both the U.S. and home markets, less all expenses associated with those sales. We then allocated profit to expenses incurred with respect to U.S. economic activity (including further manufacturing costs), based on the ratio of total U.S. expenses to total expenses for both the U.S. and home market. We also adjusted the starting price for billing adjustments, discounts, rebates, and freight revenue.

### Price-to-CV Comparisons

In accordance with section 773(a)(4) of the Act, we base NV on CV if we are unable to find a home market match of identical or similar merchandise that is

not disregarded due to the cost test. Where appropriate, we make adjustments to CV in accordance with section 773(a)(8) of the Act. We deduct from CV the weighted-average home market direct selling expenses. For these preliminary results, we did not have to rely on CV for NV.

### Price-to-Price Comparisons

For those product comparisons for which there were sales at prices above the COP, we based NV on prices to unaffiliated home market customers or prices to affiliated customers that were determined to be at arm's-length. Where appropriate, we deducted discounts, rebates, credit expenses, warranty expenses, inland freight, inland insurance, and warehousing expense. We also adjusted the starting price for billing adjustments, freight revenue, and direct selling expenses. We also made adjustments, where applicable, for home market indirect selling expenses to offset U.S. commissions in CEP comparisons.

We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. Additionally, in accordance with sections 773(a)(6)(A) and (B), we deducted home market packing costs and added U.S. packing costs. 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 CV.

For reasons discussed in the "Level of Trade" section below, we allowed a CEP offset for comparisons made at different levels of trade. To calculate the CEP offset, we deducted the home market indirect selling expenses (less any offset of U.S. commissions) from NV for home market sales that were compared to U.S. CEP sales. We limited the home market indirect selling expense deduction by the amount of the indirect selling expenses deducted in calculating the CEP as required under section 772(d)(1)(D) of the Act.

### Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV using sales in the comparison market at the same level of trade (LOT) as the CEP sales. However, if the selected comparison market sales are at a different LOT than the CEP sales, and a consistent pattern of price differences is manifested between the sales on which NV is based and other home market



sales at the same LOT as the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV LOT is more remote from the factory than the CEP LOT, and there is no basis for determining a consistent pattern of price differences, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). *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 (November 19, 1997). To determine whether NV sales are at a different LOT than CEP sales, we examine selling functions between the producer and the unaffiliated or affiliated customer (if the arm's-length test is passed) for home market sales, and between the producer and the affiliated customer for CEP sales.

In reviewing the selling functions reported by U&A France, we examined all types of selling functions reported in the questionnaire responses. Based on a comparison of such selling functions performed in the home market distribution channels, we preliminarily determine that U&A France sold merchandise at one LOT in the home market during the POR.

U&A France only reported CEP sales in the U.S. market. Because all of U&A France's CEP sales in the U.S. market were made through Arcelor Stainless USA, Rahn, and Hague, and the selling functions performed in these channels were similar, we preliminarily determine that there was one LOT in the U.S. market. For these CEP sales, fewer and different selling functions were performed for CEP sales than for sales at the home market LOT. For example, selling functions included in the home market LOT, but not in the CEP LOT, include some functions of strategic planning and marketing, all customer sales and contact, some functions of production planning and order evaluation, some functions of warranty claim analysis, all technical services, all sales-related administrative support, and arranging transportation to the final customer. *See Section A Response*, at Appendix 8.A. In other words, as explained in U&A France's *Section A Response*, U&A France performed very few selling activities for the U.S. sales because most selling functions were performed by the U.S. sales affiliates (*e.g.*, Arcelor Stainless USA, Rahn, and Hague) and associated expenses were reported in one of the U.S. indirect selling expenses variables. Accordingly, we found that sales at the home market LOT were at a more advanced stage of distribution compared to the CEP sales.

However, because the available data does not provide a basis for determining a LOT adjustment, we adjusted NV under section 773(a)(7)(B) of the Act (the CEP offset provision). We note that in all prior administrative reviews of this order, where similar situations existed, we also granted a CEP offset. *See, e.g., Notice of Amended Final Results of Antidumping Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from France*, 68 FR 4171 (January 28, 2003); and, *French SSSS 3rd Preliminary*, 68 FR at 47054–55. *See also Stainless Steel Plate in Coils From Belgium: Preliminary Results of Antidumping Duty Administrative Review*, 69 FR 32501, 32506–07 (June 10, 2004).

#### Currency Conversion

For purposes of the preliminary results, in accordance with section 773A of the Act, we made currency conversions based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank of New York. Section 773A(a) of the Act directs the Department to use the daily exchange rate in effect on the date of sale in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a "fluctuation." In accordance with the Department's practice, we have determined as a general matter that a fluctuation exists when the daily exchange rate differs from a benchmark by 2.25 percent. *See, e.g., Certain Stainless Steel Wire Rods from France: Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 8915, 8918 (March 6, 1996); *Policy Bulletin 96–1: Currency Conversions*, 61 FR 9434 (March 6, 1996). The benchmark is defined as the rolling average of rates for the past 40 business days. When we determine a fluctuation exists, we substitute the benchmark for the daily rate.

#### Duty Absorption

On September 10, 2003, the Petitioners requested that the Department determine whether antidumping duties had been absorbed during the POR. Section 751(a)(4) of the Act provides for the Department, if requested, to determine during an administrative review initiated two or four years after the publication of the order, whether antidumping duties have been absorbed by a foreign producer or exporter, if the subject merchandise is sold in the United States through an affiliated importer. Because this review was initiated four years after the publication of the order, and affiliated parties acted as importer of record for

some or all of U&A France's U.S. sales, we must make a duty absorption determination in this segment of the proceeding within the meaning of section 751(a)(4) of the Act.

On October 20, 2003, the Department requested evidence from U&A France that unaffiliated purchasers will ultimately pay the antidumping duties to be assessed on entries during the review period. We established a due date of November 10, 2003. We received no response. On November 19, 2003, the Department sent U&A France a second letter reminding them of the earlier request and asking that the requested information be submitted by November 25, 2003. Again we received no response. In both letters, we advised U&A France that a failure to respond might result in the application of facts available.

In determining whether the antidumping duties have been absorbed by the respondent during the POR on sales for which they or their affiliates were importer of record, we presume that the duties will be absorbed for those sales that have been made at less than NV. This presumption can be rebutted with evidence (*e.g.*, an agreement between the respondent/importer and unaffiliated purchaser) that the unaffiliated purchaser will pay the full duty ultimately assessed on the subject merchandise. In this case, however, U&A France did not respond to the Department's two requests for information. Accordingly, based on the record, we cannot conclude that the unaffiliated purchaser in the United States will pay the ultimately assessed duty. Therefore, we preliminarily find that antidumping duties have been absorbed by U&A France during the POR on those sales at less than fair value for which its affiliates were the importers of record. *See, e.g., Certain Preserved Mushrooms from India: Preliminary Results of Antidumping Duty Administrative Review*, 69 FR 10659 (March 8, 2004).

#### Preliminary Results of Review

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

#### STAINLESS STEEL SHEET AND STRIP IN COILS FROM FRANCE

Producer/manufacturer/exporter	Weighted-average margin (percent)
U&A France .....	11.99



Pursuant to 19 CFR 351.224, the Department will disclose to any party to the proceeding, within five days of publication of this notice, the calculations performed. Any interested party may request a hearing within 30 days of publication. Any hearing, if requested, will normally be held 37 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 35 days after the date of publication. Parties who submit arguments are requested to submit with the argument: (1) A statement of the issue, (2) a brief summary of the argument and (3) a table of authorities. Further, the Department requests that parties submitting written comments provide the Department with an additional copy of the public version of any such comments on a computer diskette. The Department will publish the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments or at a hearing, within 120 days after the publication of this notice.

#### Assessment

Upon issuance of the final results of review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department will issue appraisal instructions directly to CBP within fifteen days of publication of the final results of review. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the results and for future deposits of estimated duties. For duty assessment purposes, we calculated an importer-specific assessment rate by dividing the total dumping margins calculated for the U.S. sales to the importer by the total entered value of these sales. If the preliminary results are adopted in the final results of review, this rate will be used for the assessment of antidumping duties on all entries of the subject merchandise by that importer during the POR.

#### Cash Deposits

The following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results

of this administrative review, as provided in section 751(a)(1) of the Act: (1) The cash deposit rate for U&A France will be that established in the final results of this review; (2) for previously reviewed or investigated companies not covered in this review, 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 original less than fair value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established in 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 continue to be the "all others" rate established in the LTFV investigation, which was 9.38 percent. *See Antidumping Duty Order*, 64 FR at 40565.

#### Notification to Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under regulation 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 is published in accordance with sections 751(a)(1) and 777(I)(1) of the Act.

Dated: July 29, 2004.

**Jeffrey A. May,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 04-18034 Filed 8-5-04; 8:45 am]

**BILLING CODE 3510-DS-P**

#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[A-428-825]

#### Stainless Steel Sheet and Strip in Coils From Germany; Notice of Preliminary Results of Antidumping Duty Administrative Review

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

**SUMMARY:** In response to a request from Allegheny Ludlum, AK Steel Corporation, Butler Armco Independent

Union, J&L Specialty Steel, Inc., North American Stainless, United Steelworkers of America, AFL-CIO/CLC, and Zanesville Armco Independent Organization (collectively, petitioners), and respondent, ThyssenKrupp Nirosta GmbH, ThyssenKrupp VDM GmbH, ThyssenKrupp Nirosta North America, Inc., and ThyssenKrupp VDM USA, Inc. (collectively, TKN), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on stainless steel sheet and strip in coils (S4) from Germany. The review covers one manufacturer/exporter of the subject merchandise to the United States during the period of review (POR) July 1, 2002, through June 30, 2003.

We preliminarily determine that TKN made sales at less than fair value during the POR. If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (Customs) to assess antidumping duties based on the difference between the United States Price (USP) and normal value (NV).

Interested parties are invited to comment on these preliminary results. Parties who submit arguments in this proceeding are requested to submit with the arguments: (1) A statement of the issues and (2) a brief summary of the arguments (no longer than five pages, including footnotes) and (3) a table of authorities.

**DATES:** *Effective Date:* August 6, 2004.

#### FOR FURTHER INFORMATION CONTACT:

Patricia Tran or Robert James at (202) 482-1121 or (202) 482-0649, respectively, Antidumping and Countervailing Duty Enforcement Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### Background

The Department published an antidumping duty order on S4 from Germany on July 27, 1999. *See Notice of Amended Final Determination of Sales at Less than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils from Germany*, 64 FR 40557 (July 27, 1999) (Antidumping Duty Order). The Department published the *Notice of Opportunity to Request Administrative Review* of S4 from Germany for the period July 1, 2002, through June 30, 2003, on July 2, 2003 (67 FR 44172).

On July 24 and 29, 2003, respectively, TKN and petitioners requested an