

Dated: September 29, 2004.

**Gwellnar Banks,**

*Management Analyst, Office of the Chief Information Officer.*

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**DEPARTMENT OF COMMERCE**

**Economics and Statistics Administration**

**Census Advisory Committees**

**AGENCY:** Economics and Statistics Administration, Department of Commerce.

**ACTION:** Notice of public meetings.

**SUMMARY:** Pursuant to the Federal Advisory Committee Act, Title 5, United States Code, Appendix 2, Section 10 (a)(b), we are giving notice of the following Census Advisory Committee (CAC) meetings:

- The CACs on the African American Population, the American Indian and Alaska Native Populations, the Asian Population, the Native Hawaiian and Other Pacific Islander Populations, and the Hispanic Population to be held on November 8, 2004.

- A special Joint Census Advisory Committee meeting of the CACs on Race and Ethnic Populations (REAC), the Decennial CAC (DCAC), and the Chairs of the CAC of Professional Associations (CACPA) to be held on November 9, 2004.

- The DCAC meeting to be held on November 10, 2004.

The special Joint Advisory Committee Meeting on November 9 will focus on data dissemination and privacy. The meetings on November 8 and 10 will discuss decennial planning issues and other issues of committee interest. Last minute changes to the schedule are possible, which could prevent advance notification.

**DATES:** On Monday, November 8, 2004, the REAC meeting will begin at approximately 1 p.m. and adjourn at approximately 5 p.m. On Tuesday, November 9, 2004, the special Joint CAC meeting will begin at approximately 9 a.m. and adjourn at approximately 4:30 p.m. On Wednesday, November 10, 2004, the DCAC meeting will begin at approximately 9 a.m. and adjourn at approximately 12 noon.

**ADDRESSES:** The meetings will be held at the U.S. Census Bureau, 4700 Silver Hill Road, Suitland, Maryland 20233.

**FOR FURTHER INFORMATION CONTACT:** Jeri Green, Committee Liaison Officer, Department of Commerce, U.S. Census Bureau, Room 3627, Federal Building 3,

Washington, DC 20233, telephone: (301) 763-2070, TTY (301) 457-2540.

**SUPPLEMENTARY INFORMATION:** The CACs on the African American Population, American Indian and Alaska Native Populations, the Asian Population, the Native Hawaiian and Other Pacific Islander Populations, and the Hispanic Population are composed of nine members each, appointed by the Secretary of Commerce. The Committees advise the Director of the U.S. Census Bureau on a variety of issues concerning race and ethnicity and overall 2010 decennial census concerns. The Committees provide a continuing channel of communication between the Census Bureau and the communities they represent.

The DCAC is composed of a Chair, Vice Chair, and up to 40 member organizations, all appointed by the Secretary of Commerce. The Committee considers the goals of the decennial census and data user needs for census information. The Committee provides an outside user perspective on research and design elements planned for the 2010 decennial census, which includes the American Community Survey.

The CACPA is composed of 36 members appointed by the Presidents of the American Economic Association, the American Statistical Association, the Population Association of America, and the Chairman of the Board of the American Marketing Association. The Committee advises the Director, Census Bureau, on the full range of Census Bureau programs and activities in relation to each committee's areas of expertise and focus.

A brief period will be set aside for public comment. However, individuals with extensive statements for the record must submit them in writing to the Commerce Department official named above at least three working days prior to the meetings. Seating is available to the public on a first-come, first-served basis.

The meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to the Census Bureau Committee Liaison Officer as soon as known, preferably two weeks prior to the meeting.

Dated: September 29, 2004.

**Kathleen B. Cooper,**

*Under Secretary for Economic Affairs, Economics and Statistics Administration.*

[FR Doc. 04-22492 Filed 10-5-04; 8:45 am]

**BILLING CODE 3510-07-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-580-854]**

**Notice of Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Circular Welded Carbon-Quality Line Pipe From the Republic of Korea**

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

**EFFECTIVE DATE:**

**FOR FURTHER INFORMATION CONTACT:** Patrick Edwards or Brandon Farlander, at (202) 482-8029 or (202) 482-0182, respectively, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

**Preliminary Determination**

We preliminarily determine that certain circular welded carbon quality line pipe ("LP") from the Republic of Korea ("Korea") is being sold, or are likely to be sold, in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"), with regard to sales made by Hyundai HYSCO ("HYSCO"). We also preliminarily determine that LP from Korea, produced and sold by SeAH Steel Corporation ("SeAH"), is not being sold, or is not likely to be sold, in the United States at LTFV. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

**Case History**

On March 24, 2004, the Department initiated antidumping investigations of LP from Mexico, the Republic of Korea, and the People's Republic of China. *See Initiation of Antidumping Duty Investigations: Certain Circular Welded Carbon Quality Line Pipe From Mexico, The Republic of Korea, and the People's Republic of China*, 69 FR 16521 (March 30, 2004) ("Initiation Notice"). The petitioners in this investigation are American Steel Pipe Division of American Cast Iron Pipe Company, IPSCO Tubulars Inc., Lone Star Steel Company, Maverick Tube Corporation, Northwest Pipe Company, and Stupp Corporation (collectively "petitioners"). Since the initiation of this investigation the following events have occurred.

In accordance with the preamble to our regulations, the Department set aside a period of time for parties to raise

issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of publication of the *Initiation Notice*. (See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997) and *Initiation Notice* at 69 FR 16521).

On April 19, 2004, Central Plastics Company ("CPC"), an interested party, submitted comments on the scope of this and the concurrent investigations of LP. Specifically, CPC requested an exclusion for line pipe having a nominal diameter of less than or equal to 1¼ inches (1.660 inch actual outside diameter), regardless of grade, from this investigation for various reasons. On April 21, 2004, petitioners submitted comments on the scope of this investigation in response to CPC's comments. Petitioners concurred with CPC, that line pipe of nominal diameter of 1¼ inch and smaller be excluded from the scope of this investigation, and that the scope be amended to state "excluded from the scope of the investigation are line pipe in nominal size with outer diameters of 1¼ inch or less." No other party submitted further comments on this request and no other party submitted scope comments. On May 4, 2004, the Department amended the scope of the investigation to include line pipe having an outside diameter greater than 32 mm (1¼ inches) in nominal diameter (1.660 inch actual outside diameter) and not more than 406.4 mm (16 inches) in outside diameter. See Memorandum to Joseph A. Spetrini, Deputy Assistant Secretary, Group III, from Richard O. Weible, Office Director, Office 8, regarding Antidumping Duty Investigations on Certain Circular Welded Carbon Quality Line Pipe from China, Korea and Mexico; Scope Issues, dated May 4, 2004.

On April 19, 2004, The United States International Trade Commission preliminarily determined that there is reasonable indication that imports of LP from Mexico, South Korea, and the People's Republic of China are materially injuring the United States industry. See ITC Investigation Nos. 731-TA-1073-1075 (Publication No. 3687).

On April 29, 2004, the Department selected the producers accounting for the largest volume of the exports of subject merchandise from Korea during the period of investigation (POI) as the mandatory respondents in this proceeding. See Memorandum to Joseph A. Spetrini, Deputy Assistant Secretary, Group III, from Richard O. Weible, Office Director, Office 8, regarding Selection of Respondents for the

Antidumping Investigation of Certain Circular Welded Carbon Quality Line Pipe from Korea, dated April 29, 2004. The Department subsequently issued the antidumping questionnaire to SeAH and Hyundai Corporation ("Hyundai") on May 4, 2004. The Department revised its respondent selection in this investigation on June 4, 2004. See the "Amended Respondent Selection" section of this notice for further discussion.

On June 3, 2004, we issued a supplemental questionnaire on issues relating to affiliation to Hyundai and HYSCO. On June 9, 2004, and June 14, 2004, we received the Section A questionnaire responses from SeAH and HYSCO, the revised mandatory respondent following the Department's amendment to the respondent selection, respectively. On June 18, 2004, and June 24, 2004, petitioners filed comments on the Section A responses of SeAH and HYSCO, respectively. On June 23, 2004, the Department issued a supplemental questionnaire for deficiencies in SeAH's Section A response, to which SeAH subsequently submitted its response on July 9, 2004. The Department received HYSCO's response to the affiliation supplemental questionnaire on June 16, 2004.

On June 25, 2004, and June 28, 2004, the Department received Section B and C questionnaire responses from SeAH and HYSCO, respectively. On July 8, 2004, petitioners submitted comments on deficiencies in both companies' Section B and C questionnaire responses. The Department issued a supplemental Section B and C questionnaire to SeAH on July 12, 2004, and a Section A, B and C supplemental questionnaire to HYSCO on July 14, 2004. The Department received the supplemental questionnaire responses from SeAH on August 2, 2004, and from HYSCO on August 4, 2004. Petitioner submitted deficiency comments on these questionnaire responses on August 16, 2004.

On August 18, 2004, the Department issued a supplemental questionnaire for deficiencies remaining in any of the aforementioned responses from SeAH. On August 30, 2004, the Department issued a supplemental questionnaire for deficiencies remaining in any of the aforementioned responses from HYSCO. SeAH submitted its response to the Department's supplemental questionnaire on August 31, 2004. HYSCO submitted its response to the Department's supplemental questionnaire on September 8, 2004. On September 13, 2004, the Department issued a final supplemental questionnaire to SeAH. On September

14, 2004, the Department issued a supplemental questionnaire to HYSCO. On September 20, 2004, the Department issued its final supplemental questionnaire to HYSCO. SeAH submitted its response to the Department's final supplemental questionnaire on September 20, 2004. HYSCO submitted its response to the Department's September 14, 2004, supplemental questionnaire on September 24, 2004. HYSCO submitted its response to the Department's final supplemental questionnaire on September 24, 2004.

On July 9, 2004, petitioners submitted allegations of sales below cost of production ("COP") against HYSCO and SeAH. On July 20, 2004, the Department requested petitioners to submit further information supporting their sales below cost allegation. On July 22, 2004, petitioners submitted their response to Department's request for more information on the sales below COP allegation. Upon a thorough review of petitioners' allegations, the Department initiated a sales-below-cost investigation on July 30, 2004. See "Cost of Production Analysis" section of this notice below.

On July 21, 2004, due to the complicacy of the case and pursuant to section 733(c)(1)(B) of the Tariff Act of 1930, the Department postponed the preliminary determinations in the antidumping duty investigations of certain circular welded carbon quality line pipe from Mexico and the Republic of Korea until no later than September 29, 2004. See *Postponement of Preliminary Determinations of Antidumping Duty Investigations: Certain Circular Welded Carbon Quality Line Pipe from Mexico and the Republic of Korea*, 69 FR 44641 (July 27, 2004).

#### **Amended Respondent Selection**

On April 29, 2004, the Department selected SeAH and Hyundai as the two companies accounting for the largest volume of the exports of subject merchandise from Korea during the POI as the mandatory respondents in this proceeding. See Memorandum to Joseph A. Spetrini, Deputy Assistant Secretary, Group III, from Richard O. Weible, Office Director, Office 8, regarding Selection of Respondents for the Antidumping Investigation of Certain Circular Welded Carbon Quality Line Pipe from Korea, dated April 29, 2004 ("Respondent Selection Memo").

On May 19, 2004, the Department received a request from HYSCO to rescind the investigation of Hyundai and name HYSCO as the mandatory respondent. HYSCO stated that it believed the Department had

erroneously selected Hyundai as the mandatory respondent, as Hyundai is merely a reseller of subject merchandise, a substantial proportion of which was supplied by HYSCO. Furthermore, HYSCO claimed that it had knowledge of the merchandise's U.S. destination at the time of sale to Hyundai. In accordance with 19 U.S.C. 1677m(a), HYSCO entered a request on May 24, 2004, to be included as a voluntary respondent in the investigation to receive the same additional time to complete the Section A response to the Department's antidumping questionnaire of May 4, 2004, as the other mandatory respondent, SeAH. See Letter from Hyundai HYSCO to the Secretary of Commerce, dated May 24, 2004.

On May 25, 2004, the Department issued a memorandum to the File, explaining that it would grant an identical length of time to HYSCO to respond to the Department's questionnaire, but that pursuant to the Respondent Selection Memo of April 29, 2004, Hyundai would remain the mandatory respondent in this investigation, not HYSCO. On May 27, 2004, the Department received a further request from Hyundai and HYSCO, that HYSCO be made a mandatory respondent in this investigation. See Letter from Hyundai Corporation and Hyundai HYSCO to the Secretary of Commerce, dated May 27, 2004. Department officials contacted counsel to Hyundai and HYSCO on the same day to request that both companies submit more detailed information on the official record before any decision could be made regarding the issue of amending the respondents selected, specifically requesting quantity of sales and quantity purchased for both Hyundai and HYSCO. See Memorandum to the File from Patrick Edwards, dated May 27, 2004. Hyundai and HYSCO subsequently submitted this information to the Department on June 2, 2004, and an analysis confirmed that Hyundai resells subject line pipe, which it purchased from HYSCO and SeAH. See Letter from Hyundai Corporation and Hyundai HYSCO to the Secretary of Commerce, dated June 2, 2004. SeAH also placed comments on the record, supporting the selection of HYSCO as a mandatory respondent in this investigation rather than Hyundai. See Letter from SeAH to the Department regarding Selection of Mandatory Respondents, dated May 28, 2004. SeAH also stated that, as a supplier to Hyundai, it too had knowledge that subject line pipe sold to Hyundai is destined for the United States. We note

that petitioners did not submit any comments on this issue.

In *Antifriction Bearings*, the Department encountered a similar situation where the selected respondent provided information showing that all of its suppliers had knowledge at the time of sale that the merchandise was destined for the United States. The Department subsequently determined that the suppliers were the appropriate party to review in this case, as it was their sales that were "first sold before the date of importation by the producer or exporter of the subject merchandise outside of the United States \* \* \* to an unaffiliated purchaser for exportation to the United States." See *Antifriction Bearings and Parts Thereof from France, Germany, Italy, Japan, Singapore and the United Kingdom*, 69 FR 5949, 5951 (February 9, 2004) (*Antifriction Bearings*).

Based on the preceding evidence, the Department determined that HYSCO's claimed knowledge that its sales to Hyundai were ultimately destined for export to the United States would make HYSCO the first point of sale for the subject merchandise being shipped to the United States, and that, pursuant to section 772(a) of the Act, HYSCO, as the supplier of subject merchandise to Hyundai, would be the appropriate party to examine in this case. Therefore, the Department determined that an amendment to the respondent selection in this investigation as pertaining to Korea was appropriate, and revised the selection of mandatory respondents to include HYSCO and SeAH. See Memorandum to Richard O. Weible, Office 8 Director from Brandon Farlander and Patrick Edwards, Case Analysts regarding Amendment to the Selection of Respondents for the Antidumping Investigation of Certain Circular Welded Carbon Quality Line Pipe from the Republic of Korea, June 4, 2004.

#### **Postponement of Final Determination and Extension of Provisional Measures**

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for

postponement of a final determination be accompanied by a request for an extension of the provisional measures from a four-month period to not more than six months. On August 30, 2004, HYSCO requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days. On September 20, 2004, HYSCO also included a request to extend the provisional measures from a four-month period to not more than six-months. On September 2, 2004, petitioners requested that, in the event of a negative determination or *de minimis* margins against respondents' imports, that the Department postpone the final determination in this investigation by 60 days. On September 7, 2004, SeAH requested that the Department postpone the date of the final determination by 135 days from the date of publication of the preliminary determination in the event that the preliminary determination is affirmative. On September 14, 2004, SeAH requested to extend the provisional measures from a four-month period to not more than six months.

Accordingly, because we have made an affirmative preliminary determination, and the requesting parties account for a significant proportion of exports of the subject merchandise, we are postponing the final determination until not later than 135 days after the date of the publication of the preliminary determination.

#### **Period of Investigation**

The POI is January 1, 2003, through December 31, 2003. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition, *i.e.*, March 2004.

#### **Scope of Investigation**

The scope of this investigation includes certain circular welded carbon quality steel line pipe of a kind used in oil and gas pipelines, over 32 mm (1¼ inches) in nominal diameter (1.660 inch actual outside diameter) and not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, or coated with any coatings compatible with line pipe), and regardless of end finish (plain end, beveled ends for welding, threaded ends or threaded and coupled, as well as any other special end finishes), and regardless of stenciling. The merchandise subject to this investigation may be classified in the Harmonized Tariff Schedule of the United States ("HTSUS") at heading

7306 and subheadings 7306.10.10.10, 7306.10.10.50, 7306.10.50.10, and 7306.10.50.50. The tariff classifications are provided for convenience and Customs purposes; however, the written description of the scope of the investigation is dispositive.

### Product Comparisons

In accordance with section 771(16) of the Act, we considered all LP produced and sold by the respondents in Korea during the POI that fit the description in the "Scope of Investigation" section of this notice to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales made in the home market. Where there were no sales of identical merchandise in the home market in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. Where there were no sales of identical or similar merchandise made in the ordinary course of trade, we made product comparisons using constructed value ("CV").

In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondents in the following order of importance: Epoxy coating, grade, outside diameter, wall thickness, surface finish, and end finish.

In response to the Department's solicitation of comments on product characteristics, petitioners submitted remarks on the draft model match characteristics issued on April 30, 2004. In their request, petitioners urged the Department to revise the size ranges for the "outer diameter," wall thickness characteristics, and the deletion of "weld type" characteristic. On May 12, 2004, Mexican respondent Hylsa S.A. de C.V. ("Hylsa") submitted its comments, in which it requested that the Department revise its product-matching characteristics to give the greatest weight to the existence or absence of an epoxy coating. Also on May 12, 2004, SeAH submitted comments. SeAH noted that while the Department's proposed model match of May 4, 2004 contemplated matching to specific sizes of wall thickness and outside diameter, petitioners' April 30, 2004 comments suggested matching for outside diameter and wall thickness using ranges. SeAH urged the Department not to provide arbitrary limitations on ranges.

Upon careful analysis of comments from all parties, on May 21, 2004, the Department made appropriate changes to the model match criteria and asked both SeAH and Hyundai to use the

revised model match criteria in answering their Sections B and C of the Department's questionnaire. The Department accepted Hylsa's suggestion of giving the greatest weight to the existence or absence of an epoxy coating, as Hylsa demonstrated that such a coating can add substantially to the cost of a product. We accepted petitioners' proposed ranges for outside diameter and wall thickness as the Department's examination of industry specifications indicated that the ranges were a reasonable reflection of the production of the merchandise in question and were not arbitrary.

### Affiliation

HYSCO acknowledges, in their June 14, 2004, Section A Questionnaire Response at page 6, that they were affiliated to Hyundai and Hyundai U.S.A. for the first eight months of the POI (i.e., January 2003–August 2003). Up until the death of M.H. Jung, HYSCO reported its sales made to Hyundai and Hyundai U.S.A. as CEP transactions. HYSCO reported all sales to Hyundai and Hyundai U.S.A. following the death of M.H. Jung in August 2003 as EP transactions. Because M.H. Jung had died, HYSCO claims that it is no longer affiliated with Hyundai and Hyundai U.S.A. after his death. In HYSCO's questionnaire response, it stated that at the end of August 2003, due to financial difficulties, Hyundai was turned over to the control of its creditors and that this further demonstrated the end of any potential affiliation between HYSCO and Hyundai. See HYSCO's June 14, 2004, Section A Questionnaire Response at page 6. On September 24, 2004, HYSCO provided additional information demonstrating that Hyundai had declared bankruptcy and that its creditors took control of the company. Also, in this same response, HYSCO provided a list of Hyundai's major creditors and confirmed that Hyundai's creditors were not affiliated with any member of the Hyundai Group *chaebol* (including Hyundai and Hyundai U.S.A.) or any member of the Hyundai Motors Group *chaebol* (including HYSCO). Based on this information, the Department preliminarily determines that HYSCO's affiliation with Hyundai, Hyundai U.S.A., and all members of the Hyundai Group *chaebol* ended on August 31, 2003, and that, from this date to the end of the POI, all of HYSCO's sales to Hyundai and Hyundai U.S.A. therefore constitute EP sales.

### Fair Value Comparisons

To determine whether sales of certain circular welded carbon-quality line pipe from Korea to the United States were

made at LTFV, we compared the export price ("EP") or constructed export price ("CEP") to the normal value ("NV"), as described in the "Export Price and Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI weighted-average EPs or CEPs to NVs, and where there were no similar product matches, we compared EP or CEP to CV.

As discussed below under "Home Market Viability and Comparison Market Selection," we determined that SeAH and HYSCO had a viable home market during the POI.

### Export Price and Constructed Export Price

In accordance with section 772(a) of the Act, export price 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, as adjusted under subsection (c). 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, as adjusted under subsections (c) and (d).

#### 1. HYSCO

For purposes of this investigation, HYSCO has classified its sales as both EP and CEP. Based on the Department's decision on affiliation in the "Affiliation" section noted above, we determined that affiliation between HYSCO and Hyundai and Hyundai U.S.A. ended on August 31, 2003, the day Hyundai declared bankruptcy and its creditors took control of the company. Hence, on and after August 31, 2003, until the end of the POI, the Department has determined that HYSCO's sales to Hyundai Corporation and Hyundai U.S.A. are EP sales. We note that this decision does not impact the fact that HYSCO is affiliated with Hyundai Pipe of America during the entire POI and that these sales through Hyundai Pipe of America are classified as CEP sales.

For HYSCO's EP sales, we made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where

appropriate, foreign inland freight from the plant to the port of export, foreign brokerage and handling expenses, international freight, marine insurance, U.S. brokerage, and U.S. customs duty, where applicable. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act. *See* Memorandum to the File Re: Preliminary Determination Analysis Memorandum for Hyundai HYSCO ("HYSCO") in the Antidumping Investigation of Certain Circular Welded Carbon Quality Line Pipe from the Republic of Korea for the Period January 1, 2003, through December 31, 2003, dated September 29, 2004 ("HYSCO Analysis Memo").

For HYSCO's CEP sales transactions, we calculated price in conformity with section 772(b) of the Act. We based CEP on the packed duty paid prices to an unaffiliated purchaser in the United States. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included foreign inland freight from the plant to the port of export, foreign brokerage and handling expenses, international freight, marine insurance, U.S. brokerage, and U.S. customs duty, where applicable. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act. We also deducted commissions, where applicable. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including imputed credit expenses, warranty expenses, and indirect selling expenses. We also made an adjustment for CEP profit in accordance with section 772(d)(3) of the Act. *See* HYSCO Analysis Memo.

## 2. SeAH

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

In the instant investigation, SeAH sold subject merchandise through two affiliated companies, Pusan Pipe America, Inc. ("PPA") and State Pipe & Supply, Inc. ("State Pipe"), an affiliated reseller of PPA, both of Santa Fe Springs, California. SeAH reported all of its U.S. sales of subject merchandise as CEP transactions. After reviewing the

evidence on the record of this investigation, we have preliminarily determined that SeAH's transactions are classified properly as CEP sales because these sales occurred in the United States and were made through its U.S. affiliate(s) to an unaffiliated buyer. Such a determination is consistent with section 772(b) of the Act and the U.S. Court of Appeals for the Federal Circuit's decision in *AK Steel Corp., et al. v. United States*, 226 F.3d 1361, 1374 (Fed. Cir. 2000) ("*AK Steel*").

For these CEP sales transactions, we calculated price in conformity with section 772(b) of the Act. We based CEP on the packed, delivered duty paid prices to an unaffiliated purchaser in the United States. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included foreign inland freight, foreign brokerage and handling and port charges, international freight, marine insurance, U.S. inland freight, U.S. brokerage and handling, U.S. warehousing, and U.S. wharfage. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including imputed credit expenses and indirect selling expenses. We also made an adjustment for CEP profit in accordance with section 772(d)(3) of the Act. *See* Memorandum to the File Re: Preliminary Determination Analysis Memorandum for SeAH Steel Corporation ("SeAH") in the Antidumping Investigation of Certain Circular Welded Carbon Quality Line Pipe from the Republic of Korea for the Period January 1, 2003, through December 31, 2003, dated September 29, 2004.

## Normal Value

### A. Home Market Viability and Comparison Market Selection

In order to determine whether there is a sufficient volume of 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 equal to or greater than five percent of the aggregate volume of U.S. sales), we compared respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act.

In this investigation, we determined that both HYSCO's and SeAH's aggregate volume of home market sales of the foreign like product was greater than five percent of the aggregate volume of U.S. sales of the subject

merchandise. Therefore, we used home market sales as the basis for NV in accordance with section 773(a)(1)(B) of the Act. We also used CV as the basis for calculating NV, in accordance with section 773(a)(4) of the Act, for those sales that did not have identical or similar product matches.

### B. 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 level of trade ("LOT") as the export transaction. The NV LOT is that of the starting-price sales in the comparison market. For CEP, it is the level of the constructed sale from the exporter to the importer. We consider only the selling activities reflected in the U.S. price after the deduction of expenses incurred in the United States and CEP profit under section 772(d) of the Act. *See Micron Technology Inc. v. United States*, 243 F.3d 1301, 1314-15 (Fed. Cir. 2001).

To determine whether NV sales are at a different LOT than 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 sales on which NV is based and comparison market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the differences in the levels between NV and CEP affect price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP Offset provision). *See, e.g., Certain Carbon Steel Plate from South Africa, Final Determination of Sales at Less Than Fair Value*, 62 FR 61731, 61733 (November 19, 1997).

In analyzing differences in selling functions, we determine whether the LOTs identified by the respondent are meaningful. *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27371 (May 19, 1997). If the claimed LOTs are the same, we expect that the functions and activities of the seller should be similar. Conversely, if a party claims that LOTs are different for different groups of sales, the functions and activities of the seller should be dissimilar. *See Porcelain-on-Steel Cookware from Mexico: Final*

*Results of Administrative Review*, 65 FR 30068 (May 10, 2000).

## 1. SeAH

In this investigation, we obtained information from SeAH regarding the marketing stages involved in making the reported home market and U.S. sales. In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the “chain of distribution”),<sup>1</sup> including selling functions, class of customer (“customer category”), and the level of selling expenses for each type of sale. SeAH reported that it sells to distributors and end users in the home market, and to its U.S. affiliates, PPA and State Pipe, for sale to the United States. We examined the information reported by SeAH and found that home market sales to both customer categories were identical with respect to selling functions and stages of marketing. Accordingly, we preliminarily find that SeAH had only one LOT for its home market sales.

SeAH states that it is not claiming a LOT adjustment because it has no home market sales that are at the same LOT as that of its CEP sales, and therefore, it cannot quantify an LOT adjustment. SeAH claims that a CEP offset is warranted. *See* SeAH’s Section A Questionnaire Response of December 8, 2003, at page 21 and Exhibit A–15. For its CEP sales, SeAH reported a single level of trade and three channels of distribution. We examined the selling functions provided across these channels and find that they are essentially identical, differing only with respect to inventory maintenance and freight. Therefore, we preliminarily agree that there is only one LOT with regard to SeAH’s CEP sales in the United States.

According to section 773(a)(7)(B) of the Act, a CEP offset is appropriate when the LOT in the home market is at a more advanced stage than the LOT of the CEP sales. To determine whether a CEP offset adjustment is warranted, we compared SeAH’s selling functions in the home market with the selling functions for U.S. sales to its affiliates, PPA and State Pipe. We note that SeAH claimed several common selling activities in both the home and U.S.

<sup>1</sup> The marketing process in the United States and home market begins with the producer and extends to the sale to the final user or customer. The chain of distribution between the two may have many or few links, and the respondents’ sales occur somewhere along this chain. In performing this evaluation, we considered each respondent’s narrative response to properly determine where in the chain of distribution the sale occurs.

market, but after an analysis of these functions, the Department has determined the following activities are not “selling functions” within the meaning of section 773(a)(7) of the Act, and are not relevant to the level of trade analysis. These functions include: computer, legal, accounting, audit, and/or business-systems development, engineering services, research and development and technical programs. SeAH also claimed packing as a selling function performed for all customers. However, we did not consider this to be a selling function relevant to LOT, as packing is a separate circumstance of sale (“COS”) adjustment.

SeAH reported that the selling activities associated with its CEP sales differ from the home market selling activities in that sales forecasting, strategic and economic planning, arranging import documentation, serving as importer of record, paying U.S. customs duties and wharfage, cash discounts, and warranty service are exclusive to the U.S. market. After analyzing these functions in the context of a more advanced or less advanced LOT, the Department has determined the following. *Serving as importer of record and paying U.S. customs duties and wharfage* are not considered selling functions in the analysis of LOT because neither is distinguishable as a function that requires further personnel or monetary expense during the pre-sale process; the Department furthermore does not consider cash discounts to be a selling function. Further, we make a separate COS adjustment for discounts (as well as for U.S. customs duties and wharfage) and, thus, do not consider these activities as selling functions for our LOT analysis.

A final analysis of SeAH’s claimed home market and U.S. CEP selling functions indicates that the selling functions provided by SeAH in both markets only differ by two selling functions (*i.e.*, forecasting and planning, and arranging import documentation). Based on the above analysis, we preliminarily find that the selling functions provided for sales in the home market and sales in the U.S. market do not substantially differ and do not constitute a different LOT. Therefore, we preliminarily find that the CEP LOT is similar to the home market LOT and a CEP offset is not necessary, in accordance with Section 773(a)(7)(B) of the Act.

## 2. HYSCO

In this investigation, we obtained information from HYSCO regarding the marketing stages involved in making the reported home market and U.S. sales. In

order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the “chain of distribution”), including selling functions, class of customer (“customer category”), and the level of selling expenses for each type of sale. HYSCO reported that it sells to distributors and end users in the home market, and to its U.S. affiliates, Hyundai U.S.A. (for a portion of the POI), and Hyundai Pipe of America, for sale to the United States. We examined the information reported by HYSCO and found that home market sales to both customer categories were identical with respect to selling functions and stages of marketing. Accordingly, we preliminarily find that HYSCO had only one LOT for its home market sales.

HYSCO states that it is not claiming an LOT adjustment because the starting prices of sales to the United States are at the same level of trade as the starting prices of home market sales. Also, HYSCO is not claiming a CEP offset. We note that HYSCO had EP and CEP sales. Based on an analysis of HYSCO’s selling functions for EP sales, we determine that these selling functions are essentially the same, with the exception that HYSCO performs inventory maintenance to a small degree in the home market but does not provide inventory maintenance in the U.S. market for its EP sales. Also, we note that HYSCO claimed several common selling activities in both the home and U.S. market, but that after an analysis of these functions, the Department has determined that a portion of these functions are not relevant to the LOT analysis as “selling functions.” These functions include: (1) Legal, accounting, audit, and/or business-systems development; (2) engineering services; and (3) research and development and technical programs. HYSCO also claimed packing as a selling function performed for all customers. However, we did not consider this to be a selling function relevant to LOT as packing is a separate COS adjustment. Hence, we determine that HYSCO’s EP sales and home market sales are at the same LOT.

Regarding HYSCO’s CEP sales, as it did not request an LOT adjustment, HYSCO did not provide information on the record pertaining to the selling functions and marketing stages for sales through its U.S. affiliates. Hence, there is not sufficient evidence to determine the degree of performance or number of selling functions provided in HYSCO’s U.S. CEP sales.

Therefore, we preliminarily determine that there is no basis for determining

that there is a distinct, less advanced LOT for U.S. sales than for home market sales. Therefore, no LOT adjustment or CEP offset is warranted.

### C. Cost of Production Analysis

Based on a cost allegation submitted by the petitioners pursuant to 19 CFR 351.301(d)(2)(ii), we found reasonable grounds to believe or suspect that HYSCO and SeAH made sales of the foreign like product at prices below the COP, as provided by section 773(b)(2)(A)(ii) of the Act. Therefore, pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of sales by both HYSCO and SeAH. See Memorandum from Brandon Farlander and Patrick Edwards, Case Analysts, and Trinette Ruffin and Michael Martin, Case Accountants, to Richard O. Weible, Office Director, regarding Petitioner's Allegation of Sales Below the Cost of Production for Hyundai HYSCO, July 30, 2004, and Memorandum from Brandon Farlander and Patrick Edwards, Case Analysts, and Trinette Ruffin and Michael Martin, Case Accountants, to Richard O. Weible, Office Director, regarding Petitioner's Allegation of Sales Below the Cost of Production for SeAH Steel Corporation, July 30, 2004, on file in the Central Records Unit. The Department has conducted an investigation to determine whether HYSCO and SeAH made home market sales at prices below their respective COPs during the POI within the meaning of section 773(b) of the Act. We conducted the COP analysis described below.

Pursuant to the Department's decision to initiate a sales-below-cost investigation with regard to both companies, we instructed HYSCO and SeAH to submit its responses to Section D of the Department's antidumping questionnaire. SeAH submitted its response to the Section D questionnaire on August 23, 2004, and its response to the Department's Section D supplemental questionnaire of September 2, 2004, on September 20, 2004. HYSCO submitted its response to the Section D questionnaire on September 8, 2004. The Department issued a final supplemental for Section D to HYSCO on September 24, 2004, the response to which will be submitted after these preliminary determinations.

#### 1. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for the home market G&A expenses, interest expenses, and packing expenses. For

HYSCO, we relied on the COP data submitted by HYSCO except that we adjusted the financial expense ratio to include HYSCO's gains and losses on currency forward transactions as presented in their financial statements. We also excluded the short-term interest income offset because there was not enough information on the record to substantiate the split of interest income presented in their financial statements between short and long-term interest income. As a result of these changes, the financial expense ratio increased. See Memorandum regarding Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination—Hyundai HYSCO Co., Ltd. from Margaret M. Pusey, Accountant, through Michael P. Martin, Program Manager, to Neal M. Halper, Director, Office of Accounting, dated September 29, 2004. For SeAH, we relied on the COP data submitted by SeAH except that we adjusted the financial expense ratio to include SeAH's *donation expense* that it had excluded from the calculation of the GNA expense rate. Thus, we included the donation expense in the GNA expense rate calculation. As a result of this change, the financial expense ratio increased. See Memorandum regarding Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination—SeAH Steel Corporation from Ji Young Oh, Accountant, through Michael P. Martin, Program Manager, to Neal M. Halper, Director, Office of Accounting, dated September 29, 2004.

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

We compared the weighted-average COP for HYSCO and SeAH to their home-market sales prices of the foreign like product, as required under section 773(b) of the Act, to determine whether these sales had been made at prices below the COP within an extended period of time (*i.e.*, a period of one year) in substantial quantities and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time.

On a model-specific basis, we compared the revised COP to the home market prices, less any applicable movement charges, discounts, rebates, and direct and indirect selling expenses.

#### 3. Results of the COP Test

We disregarded below-cost sales where (1) 20 percent or more of HYSCO's and SeAH's sales of a given product during the POI were made at prices below the COP, and thus such sales were made within an extended period of time in substantial quantities

in accordance with sections 773(b)(2)(B) and (C) of the Act, and (2) based on comparisons of price to weighted-average COPs for the POI, we determined that the below-cost sales of the product were at prices which would not permit recovery of all costs within a reasonable time period, in accordance with section 773(b)(2)(D) of the Act. We found that both HYSCO and SeAH made sales below cost and we disregarded such sales where appropriate.

#### D. Calculation of Normal Value Based on Comparison Market Prices

We calculated NVs based on delivered prices to unaffiliated customers. For HYSCO, we made deductions for movement expenses, including inland freight and warehousing under section 773(a)(6)(B)(ii) of the Act, by deducting the actual costs incurred by HYSCO, where applicable. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 for differences in circumstances of sale for warranty and imputed credit, where applicable. For SeAH, we made deductions for movement expenses, including inland freight and brokerage and handling under section 773(a)(6)(B)(ii) of the Act, by deducting the actual costs incurred by SeAH and adding the revenue earned, where applicable. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 for differences in circumstances of sale for discounts, rebates and other direct selling expenses, where applicable. For SeAH and HYSCO, we also added U.S. packing costs and deducted home market packing in accordance with section 773(a)(6)(A) and (B) of the Act.

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

In accordance with section 773(a)(4) of the Act, we based HYSCO's and SeAH's NV on CV where there were no comparable sales in the home market made in the ordinary course of trade.

In accordance with section 773(e) of the Act, we calculated CV based on the sum of HYSCO's and SeAH's cost of materials and fabrication for the foreign like product, plus amounts for SG&A, interest, profit, and U.S. packing costs. We calculated the cost of materials and fabrication, G&A and interest based on the methodology described in the "Calculation of COP" section of this notice.

#### Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the

exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

#### Verification

As provided in section 782(i) of the Act, we will verify the information relied upon in making our final determination.

#### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which NV exceeds EP or CEP, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin (percentage)
Hyundai HYSKO .....	6.49
SeAH Steel Corporation Ltd.	11.19
All Others .....	6.49

<sup>1</sup>*De minimis*.

The All Others rate is derived exclusive of all zero and de minimis margins and margins based entirely on adverse facts available.

#### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination of sales at LTFV. Section 735(b)(2) requires that the ITC make a final determination before the later of 120 days after the date of the Department's preliminary determination or 45 days after the Department's final determination whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation, of the subject merchandise. Because we have postponed the deadline for our final determination to 135 days from the date of the publication of this preliminary determination, the ITC will make its final determination within 45 days of our final determination.

#### Disclosure

We will disclose the calculations used in our analysis, within five days of

publication of this notice, to parties in this proceeding in accordance with 19 CFR 351.224(b).

#### Public Comment

Case briefs for this investigation must be submitted to the Department no later than seven days after the date of the final verification report issued in this proceeding. Rebuttal briefs must be filed five days from the deadline date for case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Section 774 of the Act provides that the Department will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held two days after the rebuttal brief deadline date at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

We will make our final determination no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to sections 733(f) and 777(i) of the Act.

Dated: September 29, 2004.

**James J. Jochum,**

*Assistant Secretary for Import Administration.*

[FR Doc. E4-2522 Filed 10-5-04; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-201-833]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Circular Welded Carbon-Quality Line Pipe From Mexico

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

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

**FOR FURTHER INFORMATION CONTACT:** Shireen Pasha or John Drury, at (202) 482-0193 or (202) 482-0195, respectively, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### Preliminary Determination

We preliminarily determine that certain circular welded carbon quality line pipe ("LP") from Mexico is being sold, or is likely to be sold, in the United States at less than fair value ("LTFV"), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

#### Case History

On March 24, 2004, the Department of Commerce ("the Department") initiated antidumping investigations of LP from Mexico, The Republic of Korea, and the People's Republic of China. *See Certain Circular Welded Carbon Quality Line Pipe From Mexico, The Republic of Korea, and the People's Republic of China; Initiation of Antidumping Duty Investigations, 69 FR 165211* (March 30, 2004) ("Initiation Notice"). The petitioners in this investigation are American Steel Pipe Division of American Cast Iron Pipe Company, IPSCO Tubulars Inc., Lone Star Steel Company, Maverick Tube Corporation, Northwest Pipe Company, and Stupp Corporation. Since the initiation of this investigation the following events have occurred.

In accordance with the preamble to our regulations, the Department set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of publication of the *Initiation Notice*. (*See Antidumping Duties; Countervailing Duties; Final Rule, 62 FR 27296, 27323* (May 19, 1997) and *Initiation Notice* at 69 FR 16521.)

On April 19, 2004, Central Plastics Company ("CPC"), an interested party,