

no longer regulated articles under its regulations in 7 CFR part 340. Copies of the EA and FONSI are available as indicated in the **FOR FURTHER INFORMATION CONTACT** section of this notice.

Authority: 7 U.S.C. 1622n and 7701-7772; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.3.

Done in Washington, DC, this 14th day of July 2005.

Kevin Shea,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 05-14263 Filed 7-19-05; 8:45 am]

BILLING CODE 3410-34-P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

(Docket 31-2005)

Foreign-Trade Zone 262 -- Southaven, Mississippi, Application for Expansion

An application has been submitted to the Foreign-Trade Zones (FTZ) Board (the Board), by the Northern Mississippi FTZ, Inc., grantee of Foreign-Trade Zone 262, requesting authority to expand its zone in Southaven, Mississippi, within the Memphis Customs port of entry (which covers areas in Tennessee and Mississippi). The application was submitted pursuant to the provisions of the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR part 400). It was formally filed on July 12, 2005.

FTZ 262 was approved on October 1, 2004 (Board Order 1353, 69 FR 60841, 10/13/04). The general-purpose zone consists of a 219-acre site at the DeSoto Trade Center located between Interstate 55 and U.S. Highway 51 south of Church Road in Southaven.

The applicant is now requesting authority to expand the zone to include two additional parcels (461 acres) immediately south and southwest of the existing site at the DeSoto Trade Center (new total acreage -- 680 acres). The additional parcels are located at U.S. Highway 51 between College Road and Star Landing Road. The parcels are owned by College Road Land Company LLC and DTC Eastgate 1 LLC and are suitable for warehousing, light assembly, manufacturing and distribution activities. No specific manufacturing authority is being requested at this time. Such requests would be made on a case-by-case basis.

In accordance with the Board's regulations, a member of the FTZ Staff has been designated examiner to

investigate the application and report to the Board.

Public comment on the application is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at one of the following addresses:

1. *Submissions via Express/Package Delivery Services:* Foreign-Trade Zones Board, U.S. Department of Commerce, Franklin Court Building--Suite 4100W, 1099 14th Street, NW., Washington, DC 20005; or,
2. *Submissions via the U.S. Postal Service:* Foreign-Trade Zones Board, U.S. Department of Commerce, FCB--Suite 4100W, 1401 Constitution Avenue, NW., Washington, DC 20230.

The closing period for their receipt is September 19, 2005. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period (to October 3, 2005).

A copy of the application and accompanying exhibits will be available during this time for public inspection at address Number 1 listed above, and at the Office of the City Clerk, 8700 Northwest Drive, Southaven, Mississippi 38671.

Dated: July 12, 2005.

Dennis Puccinelli,

Executive Secretary.

[FR Doc. 05-14286 Filed 7-19-05; 8:45 am]

BILLING CODE: 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

[A-122-840]

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

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on Carbon and Certain Alloy Steel Wire Rod from Canada for the period October 1, 2003, to September 30, 2004 (the POR). We preliminarily determine that sales of subject merchandise by Ivaco Inc. and Ivaco Rolling Mills (IRM) (collectively, "Ivaco") and Ispat Sidbec, Inc. (Ispat) (now known as Mittal Canada Inc.

(Mittal)¹) have been made below normal value (NV). If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on appropriate entries. Interested parties are invited to comment on these preliminary results. We will issue the final results no later than 120 days from the publication of this notice.

EFFECTIVE DATE: July 20, 2005.

FOR FURTHER INFORMATION CONTACT: Daniel O'Brien or Ashleigh Batton, at (202) 482-1376 or (202) 482-6309, respectively; AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On October 1, 2004, the Department issued a notice of opportunity to request an administrative review of this order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 69 FR 58889 (October 1, 2004). On October 29, 2004, in accordance with 19 CFR 351.213(b), Ivaco and Ispat requested an administrative review. On October 29, 2004, also in accordance with 19 CFR 351.213(b), the petitioners² requested an administrative review of Ivaco and Ispat. On November 19, 2004, the Department published the notice of initiation of this antidumping duty administrative review, covering the POR. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 69 FR 67701 (November 19, 2004).

On November 30, 2004, the Department issued its antidumping questionnaire to Ivaco and Ispat, specifying that the responses to Section A, and Sections B-E would be due on December 21, 2004, and January 6, 2005, respectively.³ We received timely

¹ On June 24, 2005, we determined that Mittal was the successor-in-interest to Ispat Sidbec, Inc. *See Final Results of Changed Circumstances Antidumping Duty Administrative Review: Carbon and Certain Steel Alloy Wire Rod from Canada*, (not yet scheduled for FR publication).

² The petitioners in this case are ISG Georgetown, Inc., Gerdau Ameristeel US, Inc., Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc.

³ 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 that 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,

responses to Sections A–E of the initial antidumping questionnaire and associated supplemental questionnaires.

On June 20, 2005, and June 23, 2005, the petitioners and Ivaco respectively submitted comments for consideration in the preliminary results of this review. Due to the statutory deadline governing this review, we were unable to consider these comments for the preliminary results. They may, however, be considered for the final results of this review.

Scope of the Order

The merchandise subject to this order is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

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

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

elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

For purposes of the grade 1080 tire cord quality wire rod and the grade 1080 tire bead quality wire rod, an inclusion will be considered to be deformable if its ratio of length (measured along the axis - that is, the direction of rolling - of the rod) over thickness (measured on the same inclusion in a direction perpendicular to the axis of the rod) is equal to or greater than three. The size of an inclusion for purposes of the 20 microns and 35 microns limitations is the measurement of the largest dimension observed on a longitudinal section measured in a direction perpendicular to the axis of the rod. This measurement methodology applies only to inclusions on certain grade 1080 tire cord quality wire rod and certain grade 1080 tire bead quality wire rod that are entered, or withdrawn from warehouse, for consumption on or after July 24, 2003.⁴

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

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products subject to this order are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.⁵

Export Price and Constructed Export Price

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

Section 772(b) of the Act defines CEP as the price at which the subject

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 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.

⁴ See *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Final Results of Changed Circumstances Review*, 68 FR 64079 (November 12, 2003).

⁵ Effective January 1, 2005, CBP reclassified certain HTSUS numbers related to the subject merchandise. See http://hotdocs.usitc.gov/tariff_chapters_current/toc.html.

merchandise is first sold in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under Sections 772(c) and (d) of the Act.

We made the following company specific adjustments:

(A) Ivaco

Ivaco made both EP and CEP transactions. We calculated an EP for sales where the merchandise was sold directly by Ivaco to the first unaffiliated purchaser in the United States prior to importation, and CEP was not otherwise warranted based on the facts on the record. We calculated a CEP for sales made by IRM to the U.S. customer from unaffiliated processors or distribution warehouses after importation into the United States.

For EP sales, we made additions to the starting price (gross unit price), where appropriate, for freight revenue (reimbursement for freight charges paid by Ivaco) and for billing errors (debit-note price adjustments made by Ivaco), and deductions, where appropriate, for billing adjustments (including credit-note price adjustments made by Ivaco), early payment discounts and rebates, and movement expenses in accordance with section 772(c)(2)(A) of the Act. Movement expenses included inland freight, warehousing expenses, brokerage fees, U.S. customs duty, and U.S. merchandise processing fees.

For CEP sales, we made the same adjustments to the starting price as for the EP transactions described above. However, in its submitted U.S. sales database, Ivaco reported the total freight from IRM to the U.S. unaffiliated processor as a movement expense. Therefore, consistent with the Section E of the Department's Questionnaire, the portion of freight from the border to the U.S. unaffiliated processor and freight from one unaffiliated processor to another unaffiliated processor was allocated to further manufacturing. In accordance with section 772(d)(1) of the Act, for CEP sales, we deducted from the starting price those selling expenses that were incurred in selling the subject merchandise in the United States, including direct selling expenses (*e.g.*, credit expenses), imputed inventory carrying costs, and further manufacturing. Finally, in accordance with section 772(d)(3) of the Act, we deducted an amount of profit allocated to the expenses deducted under sections 772(d)(1) and (2) of the Act. See Memorandum from David Neubacher

and Daniel O'Brien, International Trade Compliance Analysts, to Constance Handley, Program Manager, Re: Analysis Memorandum for Ivaco, Inc., dated July 5, 2005 (Ivaco Analysis Memorandum).

(B) Ispat

Ispat had both EP and CEP transactions. We calculated an EP for sales where the merchandise was sold directly by Ispat to the first unaffiliated purchaser in the United States prior to importation, and CEP was not otherwise warranted based on the facts on the record. We calculated a CEP for sales made by Ispat to the U.S. customer from unaffiliated processors or distribution warehouses after importation into the United States. We note that Ispat reported certain further processed sales as EP transactions. For the preliminary results, we have treated these sales as CEP because the sale (*i.e.*, date of sale/invoice) occurred after the importation into the United States.

For EP sales, we made additions to the starting price (gross unit price), where appropriate, for billing adjustments, and deductions, where appropriate, for billing adjustments, early payment discounts, rebates, and movement expenses in accordance with section 772(c)(2)(A) of the Act. Movement expenses included inland freight, brokerage fees, U.S. customs duty, and U.S. merchandise processing fees.

For CEP sales, we made the same adjustments to the starting price as for the EP transactions described above. However, in its submitted U.S. sales database, Ivaco reported the total freight from Ispat to the U.S. unaffiliated processor as a movement expense. Therefore, consistent with Section E of the Department's Questionnaire, the portion of freight from the border to the U.S. unaffiliated processor was allocated to further manufacturing. In accordance with section 772(d)(1) of the Act, for CEP sales, we deducted from the starting price those selling expenses that were incurred in selling the subject merchandise in the United States, including direct selling expenses (*e.g.*, credit expenses), imputed inventory carrying costs, and further manufacturing. Finally, in accordance with section 772(d)(3) of the Act, we deducted an amount of profit allocated to the expenses deducted under sections 772(d)(1) and (2) of the Act. See Memorandum from Daniel O'Brien and Ashleigh Batton, International Trade Compliance Analysts, to Constance Handley, Program Manager, Re: Analysis Memorandum for Ispat Sidbec

Inc., dated July 5, 2005 (Ispat Analysis Memorandum).

Normal Value

A. Selection of Comparison Markets

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

We found that Ivaco and Ispat had a viable home market for steel wire rod. As such, both companies submitted home market sales data for purposes of the calculation of NV. In deriving NV, we made adjustments as detailed in the *Calculation of Normal Value Based on Comparison Market Prices* section below.

B. Cost of Production Analysis

Because we disregarded below-cost sales in the most recently completed segment of the proceeding for each company, we have reasonable grounds to believe or suspect that home market sales of the foreign like product by the respondents were made at prices below the cost of production (COP) during the POR.⁶ Therefore, pursuant to section 773(b)(2)(A)(ii) of the Act, we initiated a COP investigation of sales made by Ivaco and Ispat.

1. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP, by model, based on the sum of materials, fabrication, and general and administrative (G&A) expenses. We relied on Ivaco's and Ispat's submitted COP data except for the following adjustments.

(A) Ivaco

- 1) In its Section B and C questionnaire responses, Ivaco included an additional matching criterion for coating. Ivaco did not request the new matching criterion in the previous or current review and has not provided supporting evidence

⁶ See Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Canada, 67 FR 55782 (August 30, 2002). See also, Notice of Final Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Canada, 69 FR 68309 (November 24, 2004).

on its significance. Therefore, for the preliminary results, we adjusted Ivaco's submitted control number (CONNUM) for the coating field to reflect the coating characteristics as described in Sections B and C of the Department's questionnaire. See Ivaco Analysis Memo.

(B) Ispat

- 1) In its February 11, 2005, submission, Ispat expressed interest in obtaining a split cost-reporting period (October 2003 through December 2003 and January 2004 through September 2004) to account for the increase in the prices of certain raw materials (i.e., iron ore and various alloys used in the production of wire rod) during the POR. According to Ispat, the cost of certain inputs rose substantially during the POR. Our normal practice for a respondent in a country that is not experiencing high inflation is to calculate a single weighted-average cost for the entire POR except in unusual cases where this preferred method would not yield an appropriate comparison in the margin calculation. See *Notice of Preliminary Results of Antidumping Duty Administrative Review and Intent to Revoke Order: Brass Sheet and Strip from the Netherlands*, 64 FR 48760 (September 8, 1999) citing *Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*; 64 FR 30664, 30676 (June 8, 1999) (concluding that weighted-average costs for two periods were permissible where major declines in currency valuations distorted the margin calculations); *Final Determination of Sales at Less than Fair Value: Static Random Access Memory Semiconductors from Taiwan*, 63 FR 8909, 8925 (February 23, 1998) (calculating quarterly weighted-average costs due to a significant and consistent price and cost decline in the market); *Final Determination of Sales at Less than Fair Value: Dynamic Random Access Memory Semiconductors of One Megabit and Above from the Republic of Korea*; 58 FR 15467, 15476 (March 23, 1993) (determining that the Department may use quarterly weighted-average costs where there exists a consistent downward trend in both U.S. and home market prices during the period); *Final Determination of Sales at Less than Fair Value: Erasable Programmable Read Only Memories from Japan*; 51 FR 39680,

39682 (October 30, 1986) (finding that significant changes in the COP during a short period of time due to technological advancements and changes in production process justified the use of quarterly weighted-average costs).

We have reviewed the information on the record. Ispat has not demonstrated that the raw material price increases were significant and/or consistent and would distort the margin calculation. Therefore, we followed our normal practice of calculating a single weighted-average cost for the POR.

- 2) We adjusted Ispat's G&A expenses to reflect a full calendar year, instead of the 12-month POR, as submitted. As a result, G&A expenses for these preliminary results are based on Ispat's 2003 financial data. We also adjusted Ispat's interest expense ratio, to reflect a full calendar year, using the submitted 2004 financial statements of Mittal. We used the information of the parent company, Mittal, because we did not have sufficient data from Ispat to recalculate its interest expense. We intend to request more information for a more accurate calculation for the final results.
- 3) We have identified certain sales to a specific customer which may be mis-categorized as home market sales. For these preliminary results, we have left the sales as home market sales, however, pending further investigation, we may re-categorize these sales for the final. See Ispat Analysis Memorandum.

2. Test of Comparison Market Sales Prices

We compared the weighted-average COPs for the respondents 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 COP to the home market prices, less any applicable movement charges, discounts, rebates, and direct and indirect selling expenses.

3. Results of the COP Test

We disregard below-cost sales where (1) 20 percent or more of a respondent's sales of a given product during the POR were made at prices below the COP and 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 POR, 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 Ivaco and Ispat made sales below cost and we disregarded such sales where appropriate.

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

We determined price-based NVs for the respondent companies as follows. For each respondent, we made adjustments for any differences in packing and deducted home market movement expenses pursuant to sections 773(a)(6)(A) and 773(a)(6)(B)(ii) of the Act. In addition, where applicable in comparison to EP transactions, we made adjustments for differences in circumstances of sale (COS) pursuant to section 773(a)(6)(C)(iii) of the Act.

The company-specific adjustments are described below.

(A) Ivaco

We determined NV for Ivaco as follows. We made adjustments for any differences in packing and deducted home market movement expenses pursuant to sections 773(a)(6)(A) and 773(a)(6)(B)(ii) of the Act. In addition, we made adjustments for differences in COS pursuant to section 773(a)(6)(C)(iii) of the Act.

We made COS adjustments for Ivaco's EP transactions by deducting direct selling expenses incurred for home market sales (credit expenses and warranty expenses) and adding U.S. direct selling expenses (credit expenses and warranty expenses). For matches of similar merchandise, we made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

(B) Ispat

We determined NV for Ispat as follows. We made adjustments for any differences in packing and deducted home market movement expenses pursuant to sections 773(a)(6)(A) and 773(a)(6)(B)(ii) of the Act. In addition, we made adjustments for differences in COS pursuant to section 773(a)(6)(C)(iii) of the Act.

We made COS adjustments for Ispat's EP transactions by deducting direct selling expenses incurred for home market sales (credit expenses and warranty expenses) and adding U.S.

direct selling expenses (credit expenses and warranty expenses). For matches of similar merchandise, we made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

D. Arm's–Length Sales

The respondents each reported sales of the foreign like product to affiliated customers. To test whether these sales to affiliated customers were made at arm's length, where possible, we compared the prices of sales to affiliated and unaffiliated customers, net of all movement charges, direct selling expenses, and packing. Where the price to that affiliated party was, on average, within a range of 98 to 102 percent of the price of the same or comparable merchandise sold to the unaffiliated parties at the same level of trade, we determined that the sales made to the affiliated party were at arm's length. See *Modification Concerning Affiliated Party Sales in the Comparison Market*, 67 FR 69186 (November 15, 2002). For both Ivaco and Ispat, sales to affiliated parties were determined not to be at arm's length. Therefore, we disregarded these sales in our comparison to U.S. sales.

E. Calculation of Normal Value Based on Constructed Value

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

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

We made adjustments to CV for differences in COS in accordance with section 773(a)(8) of the Act and 19 CFR

351.410. For CEP and EP comparisons, we deducted direct selling expenses incurred for home market sales (credit expenses and warranty expenses). For EP sales we added U.S. direct selling expenses (credit expenses and warranty expenses) to the NV.

F. Level of Trade/Constructed Export Price Offset

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade as the EP transaction. The NV level of trade is that of the starting–price sale in the comparison market. For EP sales, the U.S. level of trade is also the level of the starting–price sale, which is usually from exporter to importer.

To determine whether NV sales are at a different level of trade than EP transactions, 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 level of trade 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 level of trade of the export transaction, we make a level–of–trade adjustment under section 773(a)(7)(A) of the Act.

We made the following company–specific adjustments:

(A) Ivaco

Ivaco reported two channels of distribution in the home market. The channels of distribution are: (1) direct sales by IRM and (2) direct sales by Sivaco Ontario. To determine whether separate levels of trade exist in the home market, we examined the stages in the marketing process and selling functions along the chains of distribution between Ivaco and its customers. Based on this examination, we preliminarily determine that Ivaco sold merchandise at two levels of trade in the home market during the POR. One level of trade is for sales made by Ivaco's steel wire rod manufacturing facility, IRM; the second level of trade is for sales made by Sivaco Ontario, Ivaco's customer service center, which is a steel wire rod processing and drawing facility. From our analysis of the marketing process for these sales, we determined that sales by Sivaco Ontario are at a more advanced stage than that for sales by IRM. Sales by Sivaco Ontario have different, more complex, distribution patterns, involving substantially greater selling activities.

The Department also analyzed Ivaco's selling functions in the home market, including inventory maintenance services, delivery services, handling services, freight services, sales administration services, bid assistance, technical services, and extension of credit. With regard to inventory maintenance, Sivaco Ontario offers more extensive inventory services than IRM. Sivaco Ontario maintains a significant general inventory, which results in a significantly longer inventory turnover rate for Sivaco Ontario. Thereby, Sivaco Ontario assumes the inventory services that would normally be performed by the customer. IRM does not provide these additional services. As stated by the Department in *Pipe and Tube from Turkey*, “inventory maintenance is a principal selling function” and “the additional responsibilities of maintaining merchandise in inventory also give rise to related selling functions that are performed.”⁷

Due to its inventory services, Sivaco Ontario ships more often than IRM and also offers its customers just–in–time (JIT) delivery services, while IRM produces and ships rod based on a quarterly rolling schedule. In addition, Sivaco Ontario provides more handling and freight services than IRM in that it offers smaller, more frequent shipments with more varied freight services. For example, IRM sells rod in either full truck load or rail car quantities, while Sivaco Ontario will arrange shipment for less than truck–load quantities. IRM is able to produce significant quantities of wire rod on a rolling basis that are demanded by large volume companies, which is reflected in its delivery and freight services as well as the limited customer services provided. Sivaco Ontario, however, offers customers wire rod and wire products based on inventory already in stock, which enables the company to offer a short lead time in providing different quantities and a variety of processed wire rod products to its customers.

With regard to sales administration services, Sivaco Ontario has a smaller average shipment size than IRM, resulting in a higher proportional sales administrative service cost than IRM. In addition to its short–lead–time delivery capabilities, Sivaco Ontario also offers variable customer service options. These additional factors allow Sivaco Ontario to establish customer relations with companies that require smaller volumes

⁷ See *Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube From Turkey*, 63 FR 35190, 35193 (June 29, 1998) (*Pipe and Tube from Turkey*).

of merchandise, inventory flexibility and have limited end use or processing schedules for the purchased product. Furthermore, Sivaco Ontario offers the following services to its customers, which IRM does not; (1) bid assistance to customers, (2) assistance with product specification and material processing review, and (3) a wider range of technical assistance, including helping customers solve usage problems and choose the best type of rod for their applications and machinery.⁸

The above differences between IRM and Sivaco Ontario in their marketing process and selling functions allow Ivaco to develop customer relationships on two distinct levels. Based on these differences, we concluded that two levels of trade exist in the home market, an IRM level of trade (level one) and a Sivaco Ontario level of trade (level two). Although IRM and Sivaco Ontario may have certain customers in common, the Department does not find the number of common customers to be significant or any reason to believe that these companies decided from which company to order based on the different services provided.

In the U.S. market, Ivaco reported two EP channels of distribution. The channels of distribution are: (1) direct sales by IRM to U.S. customers and (2) direct sales by Sivaco Ontario to U.S. customers. To determine whether separate levels of trade exist for EP sales to the U.S. market, we examined the selling functions, the chain of distribution, and the customer categories reported in the United States.

Specifically, we have found that direct sales by IRM to U.S. customers involve all the same selling functions as IRM's sales in the home market. Further, direct sales by Sivaco Ontario in the United States include all the same selling functions as those found for its home market sales. Finally, the customer categories submitted by Ivaco for IRM and Sivaco Ontario in the U.S. market match the similar customer categories reported for the home market.

Based on this, we preliminarily determine that sales by Ivaco's steel wire rod manufacturing facility, IRM, in the United States, are made at level of trade one, the same as IRM's home market sales. EP sales by Sivaco Ontario are made at the second level of trade.

To the extent possible, we have compared U.S. EP transactions and home market sales at the same level of trade without making a level-of-trade adjustment. When we were unable to

find sales of the foreign like product in the home market at the same level of trade as the U.S. sale, we examined whether a level-of-trade adjustment was appropriate. When we compare U.S. sales to home market sales at a different level of trade, we make a level-of-trade adjustment if the difference in levels of trade affects price comparability. See section 773(a)(7)(A) of the Act. We determine any effect on price comparability by examining sales at different levels of trade in the country in which normal value is determined, in this case the home market. See *Id.* Any price effect must be manifested in a pattern of consistent price differences between home market sales used for comparison and sales at the equivalent level of trade of the export transaction. To quantify the price differences, we calculate the difference in the average of the net prices of the same models sold at different levels of trade. Net prices are used because any difference will be due to differences in level of trade rather than other factors. We use the average difference in net prices to adjust NV when NV is based on a level of trade different from that of the export sale. If there is no pattern of consistent price differences, the difference in levels of trade does not have a price effect and, therefore, no adjustment is necessary.

For EP sales, we found that there were consistent price differences between models sold at different levels of trade. Therefore, we made a level-of-trade adjustment for EP sales for which we were not able to find sales of the foreign like product in the home market at the same level of trade as the U.S. sale.

In addition, Ivaco has two CEP channels of distribution: (1) sales of goods manufactured by IRM through an unaffiliated U.S. processor and/or warehoused in inventory locations in the United States and (2) sales of goods manufactured by IRM through locations in the United States. For CEP sales, we examined the relevant functions after deducting the costs of further manufacturing and U.S. selling expenses and associated profit. As a result, there are virtually no selling activities associated with Ivaco's CEP sales in either channel of distribution. Therefore, we preliminarily find a single level of trade with respect to Ivaco's CEP sales, and, moreover, that the CEP level of trade is not comparable to either level of trade in the home market. As the available data does not provide an appropriate basis for making a level of trade adjustment, we matched where possible, to the closest home market level of trade, level one, and granted a CEP offset pursuant to 773(a)(7)(B) of the Act. This offset is equal to the

amount of indirect expenses incurred in the home market not exceeding the amount of the deductions made from the U.S. price in accordance with section 772(d)(1)(D) of the Act.

(B) Ispat

Ispat's EP sales to the United States and sales in Canada were made through two channels of distribution to two types of customers, re-drawers and parts manufacturers. For all these sales, the selling functions that Ispat performed for its different customers and channels of distribution were very similar for both types of customers in each market. In the home and U.S. markets, Ispat provides sales support, technical advice, after-sales services, warranty services, and freight and delivery arrangements. During the POR, Ispat provided warehousing services in the home market and customs brokerage arrangements for the U.S. market. As there is no distinction in selling functions or services to customers based on channel or type of customer, we find a single level of trade in the home market that is the same as the EP level of trade. Therefore, we have made no level-of-trade adjustment.

With regard to the U.S. sales of further manufactured products, which were all CEP sales, we considered only the selling activities reflected in the price after the deduction of expenses and profit covered in section 772(d) of the Act. Ispat does not perform any selling functions for these products. All selling functions for the U.S. market are performed by its U.S. affiliate, Ispat North America. As a result, there are virtually no selling activities associated with Ispat's CEP sales. Therefore, we preliminarily find that there is a single CEP level of trade, and that CEP level of trade is not comparable to the level of trade in the home market. As the available data does not provide an appropriate basis for making an LOT adjustment, we have made a CEP offset to Ispat's normal value in accordance with 773(a)(7)(B) of the Act. This offset is equal to the amount of indirect expenses incurred in the home market not exceeding the amount of the deductions made from the U.S. price in accordance with 772(d)(1)(D) of the Act.

Currency Conversion

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

⁸ See Submission from Ivaco to the Department, Re: Section A Response (January 11, 2005) at pages A-39 - A-40.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following weighted-average margins exist for the period October 1, 2003, through September 30, 2004:

Producer	Weighted-Average Margin (Percentage)
Ivaco	2.96
Ispat/Mittal	6.27

In accordance with 19 CFR 351.224(b), the Department will disclose calculations performed within 5 days of publication of this notice. An interested party may request a hearing within 30 days of publication of these preliminary results. See 19 CFR 351.310(c). Any hearing, if requested, will be held 44 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 of these preliminary results. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 37 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 parties submitting written comments should provide the Department with an additional copy of the public version of any such comments on diskette. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results.

Assessment

Upon completion of this administrative review, pursuant to 19 CFR 351.212(b), the Department will calculate an assessment rate on all appropriate entries. We will calculate importer-specific duty assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for the examined sales to the total volume of the examined sales for that importer. Where the assessment rate is above *de minimis*, we will instruct CBP to assess duties on all entries of subject merchandise by that importer.

Cash Deposit Requirements

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of steel wire rod from

Canada entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) the cash deposit rates for Ivaco and Ispat will be the rates established in the final results of this review, except if a rate is less than 0.5 percent, and therefore *de minimis*, the cash deposit will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 8.11 percent, the "All Others" rate established in the LTFV investigation. These cash deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

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

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

Dated: July 5, 2005.

Barbara E. Tillman,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5-3869 Filed 7-19-05; 8:45 am]

BILLING CODE: 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-063]

Certain Iron Metal Castings from India: Notice of Court Decision and Suspension of Liquidation

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

SUMMARY: On June 16, 2005, in *Kiswok Industries Pvt. Ltd. and Calcutta Ferrous*

Ltd. v. United States, Slip Op. 05-73, the Court of International Trade (CIT) affirmed the Department of Commerce (the Department) Final Results of Redetermination on Remand dated July 9, 2004. Consistent with the decision of the U.S. Court of Appeals for the Federal Circuit (CAFC) in *Timken Co. v. United States*, 893 F.2d 337 (Fed. Cir. 1990) (*Timken*), the Department will continue to order the suspension of liquidation of the subject merchandise, where appropriate, until there is a "conclusive" decision in this case. If the case is not appealed, or if it is affirmed on appeal, the Department will instruct U.S. Customs and Border Protection (CBP) to liquidate all relevant entries from Calcutta Ferrous Ltd.

EFFECTIVE DATE: July 20, 2005.

FOR FURTHER INFORMATION CONTACT:

Robert Copyak at (202) 482-2209, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

Following publication of *Certain Iron-Metal Castings from India: Final Results of Countervailing Duty Administrative Review*, 65 FR 31515 (May 18, 2000) (*Final Results*), Calcutta Ferrous Ltd. and Kiswok Industries Pvt. Ltd. (collectively respondents) challenged the Department's *Final Results* before the CIT.

In the underlying administrative review, Calcutta Ferrous Ltd. argued that "in calculating the benefits received by castings exporters from export loans, Commerce failed to take into account penalty interest paid at interest rates higher than the benchmark." See Comment 7 of the May 18, 2000, Issues and Decision Memorandum that accompanied the *Final Results*. In *Kiswok Industries Pvt. Ltd. and Calcutta Ferrous Ltd. v. United States*, Slip Op. 04-54 (CIT May 20, 2004) (*Kiswok v. United States*), the Court concurred with Calcutta Ferrous Ltd.'s position. In *Kiswok v. United States*, the Court also disagreed with the Department's position in the *Final Results* that overdue parts of a loan become a new loan with a new applicable interest rate.

In light of the Court's instructions in *Kiswok v. United States*, the Department, in its redetermination, recalculated the benefit Calcutta Ferrous Ltd. realized from its preferential loan(s), taking into account all of the interest paid thereon. See *Final Results of Redetermination on Remand*