

rate will be the rate applicable to the PRC supplier of that exporter.

These deposit requirements shall remain in effect until further notice.

Notification to Interested Parties

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

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return/destruction or conversion to judicial protective order of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is issued and published in accordance with sections 751(a)(2)(B) and 777(i)(1) of the Act.

Dated: July 2, 2007.

David M. Spooner,

Assistant Secretary for Import Administration.

Appendix I

Comment 1: Surrogate Value for Raw Honey

Comment 2: The Use of MHPC Financial Statements

Comment 3: Calculation of Surrogate Financial Ratios

Comment 4: Calculation of NME Wage Rate

Comment 5: Surrogate Value for Brokerage and Handling

Comment 6: Clerical Errors

[FR Doc. E7-13480 Filed 7-10-07; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-549-821]

Polyethylene Retail Carrier Bags from Thailand: Preliminary Results of Antidumping Duty Administrative Review and Intent to Rescind in Part

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

SUMMARY: In response to requests from interested parties, the Department of Commerce (the Department) is

conducting an administrative review of the antidumping duty order on polyethylene retail carrier bags from Thailand. The review covers 17 exporters/producers. The period of review is August 1, 2005, through July 31, 2006.

We have preliminarily determined that sales have been made at prices below normal value by various companies subject to this review. If these preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries.

We invite interested parties to comment on these preliminary results. Parties who submit comments in this review are requested to submit with each argument (1) A statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: July 11, 2007.

FOR FURTHER INFORMATION CONTACT:

Kristin Case or Richard Rimlinger, AD/CVD Operations, Office 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3174 and (202) 482-4477, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 9, 2004, the Department published in the **Federal Register** the antidumping duty order on polyethylene retail carrier bags from Thailand. See *Antidumping Duty Order: Polyethylene Retail Carrier Bags from Thailand*, 69 FR 48204 (August 9, 2004). In accordance with 19 CFR 351.213(b), we received requests for an administrative review for 17 companies. In accordance with 19 CFR 351.213(g) and 19 CFR 351.221(b), we published a notice of initiation of an administrative review of these companies. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 71 FR 57465, 57466 (September 29, 2006) (*Initiation Notice*).¹

Due to the large number of firms requested for this administrative review

and the resulting administrative burden to review each company for which a request has been made, the Department is exercising its authority to limit the number of respondents selected for review. Where it is not practicable to examine all known exporters/producers of subject merchandise because of the large number of such companies, section 777A(c)(2) of the Tariff Act of 1930, as amended (the Act), permits the Department to limit its examination to either a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection or exporters and producers accounting for the largest volume of subject merchandise from the exporting country that can be examined reasonably. Accordingly, on October 10, 2006, we requested information concerning the quantity and value of sales to the United States from the 17 exporters/producers listed in the *Initiation Notice*. We received responses from all of the exporters/producers. We also examined import data from CBP concerning unliquidated entries of merchandise subject to the antidumping duty order. Based on our analysis of the responses and import data obtained from CBP, we determined that Advance Polybag Inc., Alpine Plastics Inc., API Enterprises Inc., and Universal Polybag Co., Ltd. (collectively UPC/API, CP Packaging Industry Co., Ltd. (CP Packaging), King Pak Ind. Co., Ltd. (King Pak), and Thai Plastic Bags Industries Co., Ltd., APEC Film Ltd., and Winner's Pack Co., Ltd. (collectively TPBG), were the four largest exporters/producers during the period of review (POR). Specifically, we determined that these exporters/producers accounted for 90.8 percent of the total reported quantity of imports of the subject merchandise from the requested companies to the United States during the POR and 83.4 percent of the total quantity from the requested companies reported in the CBP data. Accordingly, we chose to examine these four companies. See Memorandum to Laurie Parkhill entitled "Polyethylene Retail Carrier Bags from Thailand - Respondent Selection" dated November 9, 2006. For the companies under review which we did not select as mandatory respondents, we have calculated a weighted average of the weighted-average margins we have established for the four mandatory respondents excluding *de minimis* rates and rates based on adverse facts available (AFA).

Since initiation of the review, we extended the due date for completion of these preliminary results from May 2, 2007, to July 2, 2007. See *Notice of*

¹ We stated that the review covers the following companies: Advance Polybag Inc., Alpine Plastics Inc., APEC Film Ltd., API Enterprises Inc., Apple Film Co., Ltd., CP Packaging Industry Co., Ltd., King Pak Ind. Co. Ltd., Multibax Public Co., Ltd., Naraipak Co., Ltd., Polyplast (Thailand) Co., Ltd., Sahachit Watana Plastic Ind. Co., Ltd., Thai Plastic Bags Industries Co., Ltd., Thantawan Industry Public Co., Ltd., U. Yong Ltd., Part., U Yong Industry Co., Ltd., Universal Polybag Co., Ltd., and Winner's Pack Co., Ltd. *Id.*

Extension of Deadline for the Preliminary Results of Antidumping Duty Administrative Review: Polyethylene Retail Carrier Bags from Thailand, 72 FR 16766 (April 5, 2007). We have conducted this review in accordance with section 751(a) of the Act.

Scope of the Order

The merchandise subject to the antidumping duty order is polyethylene retail carrier bags (PRCBs) which may be referred to as t-shirt sacks, merchandise bags, grocery bags, or checkout bags. The subject merchandise is defined as non-sealable sacks and bags with handles (including drawstrings), without zippers or integral extruded closures, with or without gussets, with or without printing, of polyethylene film having a thickness no greater than 0.035 inch (0.889 mm) and no less than 0.00035 inch (0.00889 mm), and with no length or width shorter than 6 inches (15.24 cm) or longer than 40 inches (101.6 cm). The depth of the bag may be shorter than 6 inches but not longer than 40 inches (101.6 cm).

PRCBs are typically provided without any consumer packaging and free of charge by retail establishments, *e.g.*, grocery, drug, convenience, department, specialty retail, discount stores, and restaurants, to their customers to package and carry their purchased products. The scope of the order excludes (1) polyethylene bags that are not printed with logos or store names and that are closeable with drawstrings made of polyethylene film and (2) polyethylene bags that are packed in consumer packaging with printing that refers to specific end-uses other than packaging and carrying merchandise from retail establishments, *e.g.*, garbage bags, lawn bags, trash-can liners.

As a result of recent changes to the *Harmonized Tariff Schedule of the United States* (HTSUS), imports of the subject merchandise are currently classifiable under statistical category 3923.21.0085 of the HTSUS. Furthermore, although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

Intent to Rescind Review in Part

In an October 24, 2006, submission, Multibax Public Co., Ltd. (Multibax), indicated that it had no shipments of subject merchandise to the United States during the POR. Our review of information from CBP supports Multibax's claim that there were no entries of its merchandise subject to the order into the United States during the

POR. See Memorandum to the File, "U.S. Customs and Border Protection Data," dated November 8, 2006. Because we preliminarily find that there were no imports from Multibax during the POR, we intend to rescind the administrative review with respect to this company. If we continue to find at the time of our final results of administrative review that there were no imports of polyethylene retail carrier bags from Thailand from Multibax, we will rescind our review of Multibax.

Duty Absorption

On October 30, 2006, the petitioners² requested that the Department determine whether antidumping duties had been absorbed during the POR by the respondents. Section 751(a)(4) of the Act provides for the Department to determine, if requested, during an administrative review initiated two or four years after the publication of the order whether antidumping duties have been absorbed by a foreign producer or exporter if the subject merchandise is sold in the United States through an affiliated importer. Because UPC/API is the sole respondent which sold to unaffiliated customers in the United States through itself as the importer of record and because this review was initiated two years after the publication of the order, we have made a duty-absorption determination concerning UPC/API in this segment of the proceeding in accordance with section 751(a)(4) of the Act.

In determining whether the antidumping duties have been absorbed by the respondent during the POR, we presume the duties will be absorbed for those sales that have been made at less than normal value. This presumption can be rebutted with evidence (*e.g.*, an agreement between the affiliated importer and unaffiliated purchaser) that the unaffiliated purchaser will pay the full duty ultimately assessed on the subject merchandise. *See, e.g., Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan: Preliminary Results of Antidumping Duty Administrative Review and Notice of Intent to Rescind*, 70 FR 39735, 39737 (July 11, 2005). On May 22, 2007, the Department requested evidence from UPC/API to demonstrate that its U.S. purchasers will pay any antidumping duties ultimately assessed on entries during the POR. UPC/API did not provide any such evidence. Because UPC/API did not rebut the duty-absorption presumption with evidence that the unaffiliated purchaser will pay

the full duty ultimately assessed on the subject merchandise, we preliminarily find that antidumping duties have been absorbed by UPC/API on all U.S. sales made through its importer of record.

Verification

As provided in section 782(i) of the Act, we have verified information provided by UPC/API using standard verification procedures, including on-site inspection of the manufacturers' facilities, the examination of relevant sales and financial records, and the selection of original documentation containing relevant information. Our verification results are outlined in the public version of the verification report dated June 12, 2007, which is on file in the Central Records Unit, room B-099.

Use of Adverse Facts Available

Section 776(a) of the Act provides that, if necessary information is not available on the record or if an interested party: (1) withholds information that has been requested by the Department; (2) fails to provide such information by the deadlines established, or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782 of the Act; (3) significantly impedes the proceeding; or (4) provides such information, but the information cannot be verified, the Department shall use, subject to section 782(d) of the Act, the facts otherwise available in reaching the applicable determination.

Pursuant to section 782(e) of the Act, the Department shall not decline to consider submitted information if that information is necessary to the determination but does not meet all of the requirements established by the Department, provided that all of the following requirements are met: (1) the information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties. Section 782(d) of the Act provides that, if the Department determines that a response to a request for information does not comply with the request, the Department shall promptly inform the person submitting the response of the nature of the deficiency and shall provide that person, to the extent practicable, with an opportunity to remedy or explain the deficiency in light of the time limits established for the completion of the administrative review.

² The petitioners are the Polyethylene Retail Carrier Bag Committee and its individual members, Hilex Poly Co., LLC, and Superbag Corporation.

In addition, section 776(b) of the Act provides that, if the Department finds that an interested party "has failed to cooperate by not acting to the best of its ability to comply with a request for information," the Department may use information that is adverse to the interests of that party as facts otherwise available. The purpose of the adverse call, as explained in the Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. 316, Vol. 1, 103d Cong. (1994) (SAA), is "to ensure that the party does not obtain a more favorable result by failing to cooperate {to the best of its ability} than if it had cooperated fully." See SAA at 870. Further, as explained in the SAA, in employing adverse inferences the Department will consider "the extent to which a party may benefit from its own lack of cooperation." *Id.*

On November 9, 2006, we sent a questionnaire to King Pak, one of the companies for which the petitioners requested an administrative review, seeking information related to King Pak's corporate structure and its production and sales of PRCBs. King Pak did not respond to the questionnaire. Because King Pak did not respond, on December 21, 2006, we sent a letter to King Pak requesting that it respond to our November 9, 2006, questionnaire, thus providing King Pak a second opportunity to respond to the questionnaire. The information requested in the questionnaire is necessary for us to complete the administrative review. King Pak has not responded to our November 9, 2006, questionnaire or to our December 21, 2006, letter. Because King Pak has failed to provide the information requested and thus has significantly impeded this proceeding, we must use facts available. See section 776(a) of the Act.

Furthermore, because King Pak could have provided correct and verifiable data about its corporate structure, production, and sales but did not do so, we determine that King Pak has failed to cooperate by not acting to the best of its ability. Therefore, we conclude that the use of an adverse inference is warranted. See section 776(b) of the Act and *Nippon Steel Corp. v. United States*, 337 F.3d 1373, 1382–83 (Fed. Cir. 2003).

As total AFA, we have preliminarily assigned King Pak the highest rate found in the less-than-fair-value investigation, which was 122.88 percent. See *Notice of Final Determination of Sales at Less Than Fair Value: Polyethylene Retail Carrier Bags from Thailand*, 69 FR 34122, 34125 (June 18, 2004) (Final LTFV). We applied this rate to Zippac Co., Ltd. (Zippac) during the less-than-fair-value

investigation. *Id.* 69 FR at 34123. We also applied this rate to King Pak, which we collapsed with Zippac, in the preceding administrative review. See *Polyethylene Retail Carrier Bags from Thailand: Final Results of Antidumping Duty Administrative Review*, 72 FR 1982, 1982–83 (January 17, 2007), *Polyethylene Retail Carrier Bags from Thailand: Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 53405, 53406 (September 11, 2006) (collapsing King Pak, Dpac Industrial Co., Ltd., Zippac, and King Bag Co.). The rate has not yet induced King Pak's compliance, cooperation, and participation in the administrative-review process.

When a respondent is not cooperative, like King Pak here, the Department has the discretion to presume that the highest prior margin reflects the current margins. If this were not the case, the party would have produced current information showing the margin to be less. See *Ta Chen Stainless Steel Pipe, Inc. v. United States*, 298 F.3d 1330, 1339 (Fed. Cir. 2002) (citing *Rhone Poulenc, Inc. v. United States*, 899 F.2d 1185, 1190 (Fed. Cir. 1990)). Further, by using the highest prior antidumping duty rate we offer the assurance that the exporter will not benefit from refusing to provide information and we apply an antidumping duty rate that bears some relationship to past practices by this company as it is part of the industry in question. See *Shanghai Taoen Int'l Trading Co. v. United States*, 360 F. Supp. 2d 1339, 1348 (CIT 2005) (citing *D&L Supply Co. v. United States*, 113 F.3d 1220, 1223 (Fed. Cir. 1997)).

Section 776(c) of the Act requires that, to the extent practicable, the Department corroborate secondary information from independent sources that are reasonably at its disposal. Secondary information is defined as "information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise." See SAA at 870. As clarified in the SAA, "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. See SAA at 870. To corroborate secondary information, the Department will examine, to the extent practicable, the reliability and relevance of the information. See 19 CFR 351.308(d) and *F.Lii de Cecco di Filippo Fara S. Martino, S.p.A. v. United States*, 216 F.3d 1027, 1030 (2000). As emphasized in the SAA, however, the Department need not prove that the selected facts available are the best

alternative information. See SAA at 869. Further, independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation or review. See 19 CFR 351.308(d) and SAA at 870.

With respect to the reliability aspect of corroboration, the Department found the rate of 122.88 percent to be reliable in the investigation. See *Final LTFV*, 69 FR at 34123–24. There, the Department pointed out that the rate was calculated from source documents included with the petition, namely, a price quotation for various sizes of PRCBs commonly produced in Thailand, import statistics, and affidavits from company officials, all from a different Thai producer of subject merchandise. Because the information is supported by source documents, we preliminarily determine that the information is still reliable. See Memorandum to the File entitled "Polyethylene Retail Carrier Bags from Thailand: Inclusion of Memorandum, dated August 31, 2006, to the record of this administrative review" dated July 2, 2007.

With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. In the investigation, the Department determined that, because the price quote reflected commercial practices of the particular industry during the period of investigation, the information was relevant to mandatory respondents which refused to participate in the investigation. See *Final LTFV*, 69 FR at 34123–24. No party, including Zippac, contested the application of that rate in the investigation. *Id.* Furthermore, the rate of 122.88 percent is King Pak's current rate and has been applied to Zippac since the less-than-fair-value investigation. Therefore, we find this rate to continue to have relevance.

Export Price and Constructed Export Price

For the price to the United States, we used export price (EP) or constructed export price (CEP) as defined in sections 772(a) and (b) of the Act, as appropriate. We calculated EP and CEP based on the packed F.O.B., C.I.F., or delivered price to unaffiliated purchasers in, or for exportation to, the United States. See section 772(c) of the Act. We made deductions, as appropriate, for discounts and rebates. See section 772(d) of the Act. We also made deductions for any movement expenses

in accordance with section 772(c)(2)(A) of the Act.

In accordance with section 772(d)(1) of the Act and the SAA, we calculated the CEP by deducting selling expenses associated with economic activities occurring in the United States, which includes commissions, direct selling expenses, and U.S. repacking expenses. In accordance with section 772(d)(1) of the Act, we also deducted those indirect selling expenses associated with economic activities occurring in the United States and the profit allocated to expenses deducted under section 772(d)(1) in accordance with sections 772(d)(3) and 772(f) of the Act. In accordance with section 772(f) of the Act, we computed profit based on the total revenues realized on sales in both the U.S. and comparison markets, less all expenses associated with those sales. We then allocated profit to expenses incurred with respect to U.S. economic activity based on the ratio of total U.S. expenses to total expenses for both the U.S. and comparison markets.

Comparison-Market Sales

Based on a comparison of the aggregate quantity of comparison-market and U.S. sales and absent any information that a particular market situation in the exporting country did not permit a proper comparison, with the exception of UPC/API, we determined that the quantity of foreign like product sold by all respondents in Thailand was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States, pursuant to section 773(a) of the Act. With the exception of UPC/API, each company's quantity of sales in Thailand was greater than five percent of its sales to the U.S. market. See section 773(a)(1)(c) of the Act. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, with the exception of UPC/API, we based normal value on the prices at which the foreign like product was first sold for consumption in Thailand in the usual commercial quantities and in the ordinary course of trade and, to the extent practicable, at the same level of trade as the EP or CEP sales.

Although UPC/API did not have a viable home market within the meaning of section 773(a)(1)(B)(ii)(II) of the Act, Canada was a viable third-country market for UPC/API under section 773(a)(1)(C) of the Act. Therefore, we based normal value for UPC/API's U.S. sales on the prices at which the foreign like product was first sold for consumption in Canada in the usual commercial quantities and in the ordinary course of trade and, to the

extent practicable, at the same level of trade as the CEP sales. See section 773(a)(1)(C) of the Act.

Cost of Production

In accordance with section 773(b) of the Act, we disregarded below-cost sales in the less-than-fair-value investigation of PRCBs from Thailand sold by TPBG. See *Final LFTV*, 69 FR at 34124. Therefore, we have reasonable grounds to believe or suspect that TPBG's sales of the foreign like product under consideration for the determination of normal value in this review may have been made at prices below the cost of production (COP) as provided by section 773(b)(2)(A)(ii) of the Act. Therefore, pursuant to section 773(b)(1) of the Act, in this review we have conducted a COP investigation of TPBG's sales in the comparison market.

The petitioners in this proceeding filed allegations that UPC/API and CP Packaging made sales below COP in their respective comparison markets. Based on the information in the allegations, we found that we had reasonable grounds to believe or suspect that sales of the foreign like product were made by UPC/API and CP Packaging at prices that are less than the COP of the product. See Memorandum to Laurie Parkhill entitled "Polyethylene Retail Carrier Bags from Thailand - Request to Initiate Cost Investigation for Universal Polybag Co., Ltd., Advance Polybag Inc., API Enterprises Inc., and Alpine Plastics, Inc.," dated January 24, 2007; Memorandum to Laurie Parkhill entitled "Polyethylene Retail Carrier Bags from Thailand - Request to Initiate Cost Investigation for CP Packaging Industry Co., Ltd.," dated January 26, 2007. Therefore, pursuant to section 773(b)(1) of the Act, we conducted COP investigations of sales by these firms in their respective comparison markets.

In accordance with section 773(b)(3) of the Act, we calculated the COP based on the sum of the costs of materials and fabrication employed in producing the foreign like product, the selling, general, and administrative (SG&A) expenses, and all costs and expenses incidental to packing the merchandise. In our COP analysis, we used the comparison-market sales and COP information provided by each respondent in its questionnaire responses.

After calculating the COP, in accordance with section 773(b)(1) of the Act, we tested whether comparison-market sales of the foreign like product were made at prices below the COP within an extended period of time in substantial quantities and whether such prices permitted the recovery of all costs

within a reasonable period of time. See section 773(b)(2) of the Act. We compared model-specific COPs to the reported comparison-market prices less any applicable movement charges, discounts, and rebates.

Pursuant to section 773(b)(2)(C) of the Act, when less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because the below-cost sales were not made in substantial quantities within an extended period of time. When 20 percent or more of a respondent's sales of a given product during the POR were at prices less than the COP, we disregarded the below-cost sales because they were made in substantial quantities within an extended period of time pursuant to sections 773(b)(2)(B) and (C) of the Act and because, based on comparisons of prices to weighted-average COPs for the POR, we determined that these sales were at prices which would not permit recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Act. See the Department's analysis memoranda for TPBG, UPC/API, and CP Packaging dated July 2, 2007. Based on this test, we disregarded below-cost sales with respect to TPBG, UPC/API, and CP Packaging.

Model-Match Methodology

We compared U.S. sales with sales of the foreign like product in the comparison market. Specifically, in making our comparisons, we used the following methodology. If an identical comparison-market model was reported, we made comparisons to weighted-average comparison-market prices that were based on all sales which passed the COP test of the identical product during the relevant or contemporary month. We calculated the weighted-average comparison-market prices on a level of trade-specific basis. If there were no contemporaneous sales of an identical model, we identified the most similar comparison-market model. To determine the most similar model, we matched the foreign like product based on the physical characteristics reported by the respondents in the following order of importance: (1) quality; (2) bag type; (3) length; (4) width; (5) gusset; (6) thickness; (7) percentage of high-density resin; (8) percentage of low-density resin; (9) percentage of linear low-density resin; (10) percentage of color concentrate; (11) percentage of ink coverage; (12) number of ink colors; and (13) number of sides printed.

Normal Value

Comparison—market prices were based on the packed, ex—factory, or delivered prices to affiliated or unaffiliated purchasers. When applicable, we made adjustments for differences in packing and for movement expenses in accordance with sections 773(a)(6)(A) and (B) of the Act. We also made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411 and for differences in circumstances of sale in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. For comparisons to EP, we made circumstance—of-sale adjustments by deducting comparison—market direct selling expenses from and adding U.S. direct selling expenses to normal value. For comparisons to CEP, we made circumstance—of-sale adjustments by deducting comparison—market direct selling expenses from normal value. We also made adjustments, when applicable, for comparison—market indirect selling expenses to offset U.S. commissions in EP and CEP calculations and for U.S. indirect selling expenses to offset comparison—market commissions.

In accordance with section 773(a)(1)(B)(i) of the Act, we based normal value, to the extent practicable, on sales at the same level of trade as the EP or CEP. If normal value was calculated at a different level of trade, we made an adjustment, if appropriate and if possible, in accordance with section 773(a)(7)(A) of the Act. See the *Level of Trade* section below.

The Department may calculate normal value based on a sale to an affiliated party only if it is satisfied that the price to the affiliated party is comparable to the price at which sales are made to parties not affiliated with the exporter or producer, *i.e.*, sales at arm's—length prices. See 19 CFR 351.403(c). Where affiliated—party sales were reported, we excluded from our analysis sales to affiliated customers for consumption in the comparison market that we determined not to be at arm's—length prices. To test whether these sales were made at arm's—length prices, the Department compared the prices of sales of comparable merchandise to affiliated and unaffiliated customers, net of all rebates, movement charges, direct selling expenses, and packing. Pursuant to 19 CFR 351.403(c) and in accordance with our practice, when the prices charged to an affiliated party were, on average, between 98 and 102 percent of the prices charged to unaffiliated parties

for merchandise comparable to that sold to the affiliated party, we determined that the sales to the affiliated party were at arm's—length prices. See *Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186 (November 15, 2002) (explaining the Department's practice). We included in our calculations of normal value those sales to affiliated parties that were made at arm's—length prices.

Constructed Value

In accordance with section 773(a)(4) of the Act, we used constructed value as the basis for normal value when there were no usable sales of the foreign like product in the comparison market. We calculated constructed value in accordance with section 773(e) of the Act. We included the cost of materials and fabrication, SG&A expenses, U.S. packing expenses, and profit in the calculation of constructed value. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by each 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.

When appropriate, we made adjustments to constructed value in accordance with section 773(a)(8) of the Act, 19 CFR 351.410, and 19 CFR 351.412 for circumstance—of-sale differences and level—of-trade differences. For comparisons to EP, we made circumstance—of-sale adjustments by deducting comparison—market direct selling expenses from and adding U.S. direct selling expenses to constructed value. For comparisons to CEP, we made circumstance—of-sale adjustments by deducting comparison—market direct selling expenses from constructed value. We also made adjustments, when applicable, for comparison—market indirect selling expenses to offset U.S. commissions in EP and CEP comparisons.

When possible, we calculated constructed value at the same level of trade as the EP or CEP. If constructed value was calculated at a different level of trade, we made an adjustment, if appropriate and if possible, in accordance with sections 773(a)(7) and (8) of the Act.

Level of Trade

To the extent practicable, we determined normal value for sales at the same level of trade as the U.S. sales (either EP or CEP). When there were no sales at the same level of trade, we compared U.S. sales to comparison—

market sales at a different level of trade. The normal—value level of trade is that of the starting—price sales in the comparison market. When normal value is based on constructed value, the level of trade is that of the sales from which we derived SG&A and profit.

To determine whether comparison—market sales are at a different level of trade than U.S. sales, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer.

No company reported any significant differences in selling functions between different channels of distribution or customer type in either the comparison or U.S. markets. Therefore, for each respondent, we determined that all comparison—market sales were made at one level of trade. Moreover, for each respondent that had EP sales, we determined that all comparison—market sales were made at the same level of trade as the EP customer.

UPC/API was the only respondent with CEP sales. We found that the comparison—market level of trade was equivalent to the CEP level of trade.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following percentage weighted—average dumping margins on PRCBs from Thailand exist for the period August 1, 2005, through July 31, 2006:

| Producer/Exporter | Percent Margin |
|--|----------------|
| TPBG | 0.87 |
| UPC/API | 1.52 |
| CP Packaging | 0.74 |
| King Pak | 122.88 |
| Review—Specific Average Rate Applicable to the Following Companies: ³ | |

³The petitioners are the Polyethylene Retail Carrier Bag Committee and its individual members, Hilex Poly Co., LLC, and Superbag Corporation.

| Producer/Exporter | Percent Margin |
|---|----------------|
| Apple Film Co., Ltd. | 1.13 |
| Naraipak Co., Ltd. | 1.13 |
| Polyplast (Thailand) Co., Ltd. | 1.13 |
| Sahachit Watana Plastic Ind. Co., Ltd. | 1.13 |
| Thantawan Industry Public Co., Ltd. | 1.13 |
| U. Yong Ltd., Part. | 1.13 |
| U. Yong Industry Co., Ltd. | 1.13 |

Comments

We will disclose the calculations used in our analysis to parties to this review

within five days of the date of publication of this notice. Any interested party may request a hearing within 30 days of the date of publication of this notice. See 19 CFR 351.310. Interested parties who wish to request a hearing or to participate in a hearing if a hearing is requested must submit a written request to the Assistant Secretary for Import Administration within 30 days of the date of publication of this notice. Requests should contain the following: (1) the party's name, address, and telephone number; (2) the number of participants; (3) a list of issues to be discussed. See 19 CFR 351.310(c).

Issues raised in the hearing will be limited to those raised in the case and rebuttal briefs. See 19 CFR 351.310(c). Case briefs from interested parties may be submitted not later than 30 days after the date of publication of this notice of preliminary results of review. See 19 CFR 351.309(c)(1)(ii). Rebuttal briefs from interested parties, limited to the issues raised in the case briefs, may be submitted not later than five days after the time limit for filing the case briefs or comments. See 19 CFR 351.309(d)(1) and 19 CFR 351.310(c). If requested, any hearing will be held two days after the scheduled date for submission of rebuttal briefs. See 19 CFR 351.310(d). Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument a statement of the issue, a summary of the arguments not exceeding five pages, and a table of statutes, regulations, and cases cited. See 19 CFR 351.309(c)(2). The Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice. See section 751(a)(3)(A) of the Act.

Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(1), we have calculated, whenever possible, an exporter/importer (or customer)-specific assessment rate or value for merchandise subject to this review.

For the responsive companies which were not selected for individual review, we have calculated an assessment rate based on the weighted average of the weighted-average margins we calculated for the companies selected for individual review, excluding any which are *de minimis* or determined entirely on AFA.

The Department clarified its "automatic assessment" regulation on May 6, 2003. See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment of Antidumping Duties*). This clarification will apply to entries of subject merchandise during the POR produced by companies included in these preliminary results of review for which the reviewed companies did not know their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction. For a full discussion of this clarification, see *Assessment of Antidumping Duties*. We will issue liquidation instructions to CBP 15 days after publication of the final results of review.

Export-Price Sales

With respect to EP sales, for these preliminary results, we divided the total dumping margins (calculated as the difference between normal value and EP) for each exporter's importer or customer by the total number of units the exporter sold to that importer or customer. We will direct CBP to assess the resulting per-unit dollar amount against each unit of merchandise in each of that importer's/customer's entries during the review period.

Constructed Export-Price Sales

For CEP sales, we divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. We will direct CBP to assess the resulting percentage margin against the entered customs values for the subject merchandise on each of that importer's entries during the review period. See 19 CFR 351.212(b).

Cash-Deposit Requirements

The following deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of polyethylene retail carrier bags from Thailand entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(1) of the Act: (1) the cash-deposit rates for the reviewed companies will be the rates established in the final results of this review except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash-deposit rate 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 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; (4) if neither the exporter nor the manufacturer has its own rate, the cash-deposit rate will be 2.80 percent, the "all others" rate for this proceeding. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importer

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

These preliminary results of administrative review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 2, 2007.

David M. Spooner,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-826]

Certain Small Diameter Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Brazil; Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: In response to requests from V&M do Brasil, S.A. (VMB), the respondent, and United States Steel Corporation (U.S. Steel), the petitioner, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain small diameter seamless carbon and alloy steel standard, line and pressure pipe (seamless pipe) from Brazil. This