

revenue earned on the sale of scrap to offset G&A expenses, excluded the cost of scrap from the denominator of both the G&A and financial expense ratio calculations, and excluded revenue earned from the early redemption of a bond from the numerator of the G&A expense ratio calculation;

- (3) We adjusted our computer programs to reflect a single level of trade in the home market and the United States market; and
- (4) We excluded certain costs associated with SSI's hot-finish line to avoid double counting in the cost calculation.

Final Results of Review

We determine that the following dumping margins exist for the period November 1, 2003 through October 31, 2004:

Manufacturer/Exporter	Margin (Percent)
SSI	0.00

Assessment Rates

The Department will determine, and U.S. Customs and Border Protection ("CBP") shall assess, antidumping duties on all appropriate entries, pursuant to section 751(a)(1)(B) of the Tariff Act of 1930 ("the Act"), and 19 CFR 351.212(b). The Department calculated 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 entered value of the examined sales for that importer. The Department clarified its "automatic assessment" regulation on May 6, 2003 (68 FR 23954). This clarification will apply to entries of subject merchandise during the period of review produced by companies included in these final results of reviews 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 Notice of Policy Concerning Assessment of Antidumping Duties, 68 FR 23954 (May 6, 2003). Antidumping duties for the rescinded companies, Nakornthai and G Steel, shall be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(I). The Department will issue appropriate assessment

instructions directly to CBP within 15 days of publication of these final results of review.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results, as provided by section 751(a) of the Act: (1) Because the antidumping duty order on certain hot-rolled carbon steel flat products is being revoked with respect to SSI, no deposit will be required; (2) for merchandise exported by producers or exporters not covered in this review but covered in the investigation, the cash deposit rate will continue to be the company-specific rate from the most recent review; (3) if the exporter is not a firm covered in this review, a prior review, or the investigation, but the producer is, the cash deposit rate will be that established for the most recent period for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will be 3.86 percent, the "all others" rate established in the less-than-fair-value investigation (66 FR 49622, September 28, 2001). These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

Notification of Interested Parties

This notice also serves as a 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 the subsequent assessment of doubled antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation, which is subject to sanction.

We are issuing and publishing this determination and notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: May 8, 2006.

David M. Spooner,
Assistant Secretary for Import Administration.

Appendix

List of Comments and Issues in the Decision Memorandum

Comment 1: Revocation

Comment 2: Excluded Sales

Comment 3: Calculation of General and Administrative and Interest Expenses

Comment 4: Level of Trade

Comment 5: Variable Cost of Manufacture

[FR Doc. E6-7505 Filed 5-16-06; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-504

Petroleum Wax Candles from the People's Republic of China: Initiation of Anticircumvention Inquiry on Antidumping Duty Order

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

ACTION: Notice of Initiation of Anticircumvention Inquiry on Antidumping Duty Order: Petroleum Wax Candles from the People's Republic of China

SUMMARY: In response to a request from the National Candle Association (NCA), the Department of Commerce (the Department) is initiating an anticircumvention inquiry pursuant to section 781(a) of the Tariff Act of 1930, as amended, (the Tariff Act) to determine whether certain imports of molded or carved articles of wax from the People's Republic of China (PRC) are circumventing the antidumping duty order on petroleum wax candles from China.

EFFECTIVE DATE: May 17, 2006.

FOR FURTHER INFORMATION CONTACT: Angela Strom or Robert James, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC, 20230; telephone: 202-482-2704 and 202-482-0649, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 14, 2005, the NCA requested that the Department conduct an anticircumvention inquiry pursuant to section 781(a) of the Tariff Act to determine whether candles assembled in the United States from molded or carved articles of wax (wax forms) from the PRC are circumventing the antidumping duty order on petroleum wax candles from China. See *Antidumping Duty Order: Petroleum Wax Candles From the People's Republic of China*, 51 FR 30686 (August 28, 1986) (Candles Order). NCA alleges that the molded or carved articles of wax from China are essentially wickless wax candles. NCA maintains that producers in China are shipping wickless wax forms to the United States, with or without a pre-drilled hole in the center, for final assembly of the candle through insertion of a wick and clip assembly. Such assembly in the United States, NCA avers, constitutes circumvention of the order on petroleum wax candles from the PRC. See Request for Determination of Circumvention - Wickless Wax Candles Petroleum Wax Candles from the People's Republic of China (A-570-504) dated December 14, 2005 (NCA Request). No interested parties provided comment on NCA's request.

Scope of the Order

The products covered by this order are certain scented or unscented petroleum wax candles made from petroleum wax and having fiber or paper-cored wicks. They are sold in the following shapes: tapers, spirals, and straight-sided dinner candles; rounds, columns, pillars, votives; and various wax-filled containers. The products were classified in the original investigation under the Tariff Schedules of the United States item 755.25, Candles and Tapers. The products are currently classified under the Harmonized Tariff Schedule of the United States, Annotated for Statistical Reporting Purposes (2006) (HTSUS) item 3406.00.00. Although the HTSUS subheading is provided for convenience and Customs purposes, our written description of the scope of this proceeding remains dispositive. See *Candles Order*; see also *Notice of Final Results of the Antidumping Duty New Shipper Review: Petroleum Wax Candles from the People's Republic of China*, 69 FR 77990 (December 29, 2004).

Scope of the Inquiry

The products covered by this inquiry are certain scented or unscented

petroleum wax forms presently classified under United States HTSUS No. 9602.00.40. The wax forms are sold in the following shapes: tapers, spirals, and straight-sided dinner candles; rounds, columns, pillars, votives; and various wax-filled containers, whether or not having pre-drilled wick holes. The wax forms are complete wax candles other than the absence of the wick and are of the same class or kind as the candles subject to the *Candles Order*. The wax forms are further assembled in the United States by a minor hole drilling process, simple wick and clip insertion or both; the final assembled wax candles are identical to those candles subject to the *Candles Order* presently classified under HTSUS No. 3406.00.00. Although the HTSUS subheading is provided for convenience and Customs purposes, our written description of the scope of this proceeding remains dispositive.

Initiation of Anticircumvention Inquiry:

Applicable Statute

Section 781 of the Tariff Act addresses circumvention of antidumping or countervailing duty orders. With respect to merchandise assembled or completed in the United States, section 781(a)(1) provides that if (A) The merchandise sold in the United States is of the same class or kind as any other merchandise that is the subject of an antidumping duty order; (B) such merchandise sold in the United States is completed or assembled in the United States from part or components produced in the foreign country with respect to which such order applies; (C) the process of assembly or completion in the United States is minor or insignificant; and (D) the value of the parts or components produced in the foreign country is a significant portion of the total value of the merchandise, then the Department may include within the scope of the order the imported parts or components produced in the foreign country used in the completion or assembly of the merchandise in the United States.

In determining whether the process of assembly or completion in the United States is minor or insignificant, section 781(a)(2) directs the Department to consider: (A) The level of investment; (B) the level of research and development; (C) the nature of the production process; (D) the extent of production facilities and (E) whether the value of processing performed in the United States represents a small proportion of the value of the merchandise sold in the United States.

Section 781(a)(3) sets forth the factors to consider in determining whether to include parts or components in an antidumping duty order. The Department shall take into account: (A) The pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the parts or components is affiliated with the person who assembles or completes the merchandise sold in the United States; and (C) whether imports into the United States of the parts or components produced in the foreign country have increased after the initiation of the investigation which resulted in the issuance of the order.

With respect to section 781(a) of the Tariff Act, NCA provided the following evidence with respect to the listed criteria:

Section 781(a)(1)(A): Merchandise of the Same Class or Kind

NCA maintains that the wickless wax forms, having undergone final assembly in the United States, are identical to the candles covered by the *Candles Order*. NCA submitted photographs of a completed petroleum wax candle with a label stating the wax was "Hand Poured in China" while the candle was "Assembled in U.S.A." See NCA Request at Exhibit 3. NCA also identified certain importers requesting customs tariff classification rulings for articles of wax with a hole drilled directly through the center, but not containing a wick. Some rulings indicated the wax articles are to be further processed into candles by, e.g., "drilling a hole when needed, adding wicks, dipping, polishing, labeling and packaging." See NCA's April 4, 2006 submission at 14.

Section 781(a)(1)(B): Completion or Assembly of Merchandise in the United States Using Foreign Parts or Components

NCA alleges the wickless wax forms imported from China account for virtually all of the finished candle's weight and total cost. NCA argues that the only other component, the wick and clip assembly added in the United States, is a minor portion of the final product, both in terms of weight and cost of materials for the candle. NCA alleges that in some instances, the wax forms are imported with a wick hole pre-drilled ready for assembly in the United States. In other cases, the drilling may be done after importation. Wick and clip assemblies can be shipped with the wax forms, or sourced separately. In either scenario, NCA insists, the requirements of section 781(a)(1)(B) are satisfied.

Section 781(a)(1)(C): Minor or Insignificant Assembly or Completion

NCA argues that production of the wax form comprises almost the entirety of the production process for a finished candle and that the final assembly or completion in the United States of a candle, through drilling a hole and inserting the wick and clip assembly, is minor and insignificant. Although NCA is not able to provide specific information from the Chinese industry on the production of the wax forms, NCA argues that the Department can look to the U.S. domestic industry for general information on the production process of a candle. According to NCA, the process of inserting a wick in the United States is minor or insignificant, whether measured qualitatively or quantitatively.

NCA addresses in turn each of the five factors set forth at section 781(a)(2) of the Tariff Act:

A. Level of Investment in the United States

NCA argues that the level of investment in the United States is minor compared to the level of investment in China. NCA explains that the production of the wax form in the PRC requires specialized capital equipment and trained labor. NCA states that the production of wax forms requires investment in specialized equipment, including large vats in which to melt wax slabs, a steam boiler, as well as molds to create the wax forms. NCA also states that investment in trained labor is necessary for production of the wax form, including the manual blending of dyes and perfumes, individual removal of the wax forms from the molds, and hand polishing and beveling of the forms. In comparison, NCA argues that insertion of the wick and clip assembly in the United States requires no investment in production facilities or equipment. NCA asserts that such assembly can be done by hand without any specialized equipment. Even if a firm opts to invest in equipment to automate the hole drilling and wick and clip assembly process in the United States, total investments would nonetheless remain minor compared to the level of investment required in the PRC to produce the wax forms. In support of its argument, NCA provided data based on domestic producers' actual experience which indicate the hole drilling and wick and clip assembly process constitutes a very minor percentage of the total manufacturing cost of the finished candle. See NCA Request at Exhibit 4. NCA claims domestic producers report that even when these processes are

highly automated, the level of investment is a minor percentage of the total investment in candle production facilities and equipment. Thus, NCA argues that the majority of the required level of investment is in China and the level of investment in the United States is minor.

B. The Level of Research and Development in the United States

NCA asserts the level of research and development is concentrated in the candle production facilities in the PRC. According to NCA, the bulk of product research and development is centered on new shapes, designs, colors, scents, wax types and combinations and wick types. NCA argues that wick hole drilling and wick and clip assembly techniques are mature production processes, requiring a "negligible" portion of research and development expenses. See NCA Request at 20. NCA suggests *the Department's findings in the Anti-Circumvention Inquiry of Antidumping and Countervailing Duty Orders on Certain Pasta from Italy: Affirmative Final Determinations of Circumvention of Antidumping and Countervailing Duty Orders*, 68 FR 54888 (September 19, 2003) are apposite because in that proceeding, the Department found repackaging of pasta into retail size containers to be a "technically mature" production process requiring very little research and development. See NCA Request at 20, n. 20, citing *Anti-Circumvention Inquiry of the Antidumping and Countervailing Duty Orders on Certain Pasta from Italy: Affirmative Preliminary Determinations of Circumvention of Antidumping and Countervailing Duty Orders*, 68 FR 46571, 46574 (August 6, 2003).

C. Nature of the Production Process in the United States

NCA contrasts the minor finishing operations performed in the United States to the major production, testing and market research efforts involved in producing the wickless wax forms in the PRC. See NCA Request at 21. According to NCA, "the process of inserting the wick and clip assembly and, in some cases drilling the wick hole, in the United States is comparatively simple, requiring little in the way of production facilities or specialized equipment." *Id.* at 22. Based on the experience of domestic producers, NCA estimates that the costs of drilling a hole, including labor and overhead, account for a small percentage of the total production process. *Id.* at Exhibit 4. NCA argues that the remaining steps, wick and clip assembly in the United States, are also extremely simple steps requiring neither specialized equipment nor extensive

production facilities. NCA again references the cost information from U.S. domestic candle producers, indicating that the cost for wick and clip assembly, inclusive of materials, labor and overhead, accounts for a very small percentage of the total manufacturing cost of a candle. *Id.* Accordingly, even if hole drilling, in addition to the wick and clip assembly, is included as part of the U.S. production process, NCA argues the combined total costs would account for a minor part of the entire candle production process as compared to the production of the wax form in China.

D. Extent of the Production Facilities in the United States

As discussed in the "Level of Investment in the United States" section, *supra* at section A, NCA claims the hole drilling and wick and clip assembly process is simple and requires little in the way of production facilities. NCA argues that the process does not require specialized equipment, and most of the processing and assembly can be done by hand. Accordingly, NCA concludes that the extent of the production facilities in the United States required to assemble finished candles is insignificant.

E. Whether the Value of Processing Performed in the United States Represents a Small Portion of the Value of the Merchandise Sold in the United States

NCA notes publicly available import data do not permit a calculation of the proportion of valued added in the United States. According to NCA, import statistics provide information on the value, but not the quantity, of molded or carved articles of wax; thus, NCA could not determine an average unit value for the imported wax form. However, NCA argues the calculation should more properly look at the value of the final merchandise sold, *i.e.*, the completed candle, which uses the wax form. Relying upon information provided by domestic candle producers, NCA argues that the value of the wick and clip assembly in the United States represents a small proportion of the value of the final completed candle sold in the United States. NCA argues that even including the value of additional U.S. packaging to the calculation, such as cellophane wrap and labeling, the proportional value of U.S. processing remains small when compared to the total value of the candle as sold.

Furthermore, NCA stresses that Congress directed the Department to focus more on the nature of the processing, rather than merely the difference in value between the finished product and the imported parts or

components. NCA Request at 26, n. 32, citing *Hot-Rolled Lead and Bismuth Carbon Steel Products from Germany and the United Kingdom; Negative Final Determinations of Circumvention of Antidumping and Countervailing Duty Orders*, 64 FR 40336, 40347 (July 26, 1999) (“Congress directed the Department to focus more on the nature of the production process and less on the difference in value between the subject merchandise and the imported parts or components” citing S. Rep. No. 103–412, 81–82 (1994)). Whether examined from the qualitative value or the quantitative nature of processing, NCA argues that the U.S. processing is insignificant in proportion to the value of the merchandise sold in the United States.

Section 781(a)(1)(D): Whether the Value of the Parts or Components Produced in the Foreign Country is a Significant Portion of the Total Value of the Merchandise

NCA argues that the value of the imported wax form constitutes not only a significant portion but virtually all of the material cost of the total value of the final assembled candles. See NCA Request at 26. As NCA has also claimed some wax forms are imported with the wicks and clip assemblies included, the value of shipments of PRC-origin parts and components would constitute an even greater portion almost all of the total value of the final assembled candle. See NCA Request at Exhibit 5. NCA also suggests that the value of the wax form, a significant portion of the total value of the merchandise in any analysis, is drastically understated since the wax form is not subject to the current 108.30 percent antidumping duty on wax candles. In measuring the value of the imported wax forms, NCA argues, the Department should adjust that value upward to include the amount of antidumping duties which would otherwise be included in the cost of the wax forms.

Section 781(a)(3): Other Factors to Consider

Finally, NCA addresses the three “other factors” the Department must consider as part of an anticircumvention determination based upon assembly or completion in the United States:

Pattern of Trade

NCA notes the patterns of trade from the PRC have shifted noticeably, with an increase in imports of wax forms coupled with a decrease in imports of finished candles. NCA points out the timing of this shift can be traced to the first Customs classification, dated in

May 1999, finding that drilled wax forms would be classifiable under HTSUS subheading 9602.00.4000, for “molded or carved articles of wax,” rather than subheading 3406.00.0000 for petroleum wax candles. Notably, the subheading for molded and carved articles of wax has a duty rate of 1.8 percent *ad valorem*. Since Customs and Border Protection (CBP) ruled that wax forms would be properly classifiable under item 9602.00.4000, NCA notes, imports of wax forms from the PRC have increased markedly, with a substantial jump in 2005 alone. See NCA Request at Exhibit 6.

NCA also argues that since the original investigation, there have been numerous attempts by PRC producers to circumvent the Candles Order, including methods as varied as “massive transshipments through Hong Kong,” to a “continuing stream of scope requests,” to increased shipments of blended wax candles including palm or vegetable wax. *Id.* at 3 through 6. According to NCA, these wickless wax forms are subject merchandise that are completed in the United States and NCA alleges they serve no purpose other than to undergo minor further processing and assembly into a complete candle through the insertion of the wick in the United States. *Id.* at 7.

Relationship between Manufacturer or Exporter and U.S. Assembler

NCA states it is not aware of and unable to ascertain whether any relationship exists between the U.S. importers and Chinese producers of wax forms.

Increase in Imports of the Parts or Components

As discussed in the “Pattern of Trade” section above, NCA asserts that imports of wax forms have increased since 1999, with the most notable increases in 2004 and 2005. See NCA Request at Exhibit 6. NCA suggests that as successive attempts by Chinese producers to circumvent the Candles Order have been closed down, Chinese producers have increasingly relied on imports of wax forms from the PRC to the United States. NCA points out that the value of imports of wax forms from the PRC nearly tripled from 2003 to 2004, and that imports in 2005 increased an additional 65 percent over 2004 levels. See NCA Request at 29. Therefore, there has been an increase in the import into the United States of wickless wax forms from the PRC after the investigation was initiated in 1985.

Analysis

Based on our analysis of NCA’s Request, as well as the record developed by the Department to date, as discussed further below, we determine that a formal anticircumvention inquiry is warranted with respect to imports of wax forms for completion into petroleum wax candles by certain companies identified by petitioner. NCA has presented information indicating that candles sold in the United States, which were assembled or completed in the United States from wax forms imported from the PRC, are of the same class or kind of merchandise as that subject to the antidumping duty order.

With regard to the completion or assembly of the merchandise in the United States using the wax forms imported from the PRC, NCA has also presented information documenting an increase in imports of the wax forms that may be used in the assembly of finished candles within the United States. NCA also provided evidence that the process of assembly or completion in the United States is minor or insignificant, as NCA discussed the relevant statutory factors as applied to the final assembly of candles through wick and clip assembly. Although NCA did not have direct and specific information from U.S. assemblers, it was able to provide information based on the actual experience of its members, U.S. domestic candle producers, that provided significant information on wick and clip assembly in particular, and commercial candle production in general.

The Department finds the information provided by NCA relating to the level of investment, research and development, the nature of the production process in the United States, the extent of production facilities in the United States, and whether the value of the processing performed in the United States represents a small proportion of the value of the merchandise sold in the United States all supports its request for the Department to initiate an anticircumvention inquiry. With respect to whether the value of the parts or components produced in the PRC, *i.e.*, the wax forms, is a significant portion of the total value of the candle, NCA again was able to provide information from the domestic candle industry indicating the value of the wax form is a significant portion of the total value of the finished candle. Finally, NCA provided evidence on the changing pattern of trade and increase in imports of wax forms, a part or component of the finished candle, in support of its request

for the initiation of an anticircumvention inquiry.

Accordingly, the Department is initiating a formal anticircumvention inquiry concerning the antidumping duty order on petroleum wax candles from the PRC, pursuant to section 781(a) of the Tariff Act. Based upon the information included in NCA's Request and its April 4, 2006 submission, as well as our analysis of relevant CBP import data, the Department is initiating this anticircumvention inquiry with respect to the following firms: DECOR-WARE, Inc., A&M Wholesalers, Inc., Albert E. Price, and Northern Lights Enterprises.¹ See Memorandum to the File, dated May 11, 2006 (placing business proprietary CBP data on the record of this proceeding). In accordance with 19 CFR 351.225(l)(2), if the Department issues a preliminary affirmative determination that imports of wax forms and other candle components are circumventing the order on petroleum wax candles from the PRC, we will instruct CBP to suspend liquidation and require a cash deposit of estimated duties on the merchandise subject to this inquiry from the date of initiation.

The Department notes that at this time it is initiating this inquiry solely with respect to the four firms listed above. Based on the record developed to date, the Department does not have sufficient evidence that other firms mentioned by NCA are engaging in the activities that NCA alleges are circumventing the Candles Order. See Memorandum to the File, dated May 11, 2006. However, if within 45 days of the date of this initiation, the Department receives sufficient evidence that other importers are importing wax forms for completion into finished candles in the United States, we will consider examining any such additional importers.

The Department will establish a schedule for questionnaires and comments on the issues. Pursuant to Section 781(f) of the Tariff Act, the Department intends to issue its final determination within 300 days from the date of signature of this initiation.

This notice is published in accordance with section 781(a) of the Tariff Act and 19 CFR 351.225.

Dated: May 11, 2006.

David M. Spooner,
Assistant Secretary for Import
Administration.

[FR Doc. E6-7504 Filed 5-16-06; 8:45 am]

BILLING CODE 3510-DS-S

¹ Identified as Decoware Inc., A & M Wholesalers Inc., Albert E. Price Inc., and Northern Lights Enterprises as the importers on record in CBP data.

DEPARTMENT OF COMMERCE

International Trade Administration (C-533-821)

Final Results of Countervailing Duty Administrative Review: Certain Hot- Rolled Carbon Steel Flat Products from India

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

SUMMARY: On January 10, 2006, the Department of Commerce (the Department) published in the **Federal Register** its preliminary results of administrative review of the countervailing duty (CVD) order on certain hot-rolled carbon steel flat products from India for the period January 1, 2004, through December 31, 2004. See *Notice of Preliminary Results of Countervailing Duty Administrative Review: Certain Hot-Rolled Carbon Steel Flat Products from India*, 71 FR 1512 (January 10, 2006) (*Preliminary Results*). The Department has now completed the administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).

Based on our analysis of the comments received, the Department has revised the net subsidy rate for Essar Steel Ltd. (Essar), the producer/exporter of subject merchandise covered by this review. For further discussion of our analysis of the comments received for these final results, see the May 10, 2006, Issues and Decision Memorandum from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, concerning the Final Results of Countervailing Duty Administrative Review: Certain Hot-Rolled Carbon Steel Flat Products from India (HRC Decision Memorandum 2004). The final net subsidy rate for Essar is listed below in "Final Results of Review."

EFFECTIVE DATE: May 17, 2006.

FOR FURTHER INFORMATION CONTACT: Tipten Troidl or Preeti Tolani, Import Administration, AD/CVD Operations, Office 3, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1767 or (202) 482-0395, respectively.

SUPPLEMENTARY INFORMATION:

Background

Pursuant to 19 CFR 351.213(b), this review covers only those producers or exporters of the subject merchandise for which a review was specifically requested. Accordingly, this review

covers only Essar. The review covers the period January 1, 2004, through December 31, 2004, and 11 programs. On January 10, 2006, the Department published in the **Federal Register** its preliminary results. See *Preliminary Results* at 71 FR 1512. We invited interested parties to comment on the results. On February 21, 2006, we received case briefs from both petitioner¹ and the respondent, Essar. On February 28, 2006, we received rebuttal briefs from petitioner and Essar. On March 2, 2006, a public hearing was held at the Department of Commerce with respect to Essar.

Scope of Order

The merchandise subject to this order is certain hot-rolled flat-rolled carbon-quality steel products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers), regardless of thickness, and in straight lengths, of a thickness of less than 4.75 mm and of a width measuring at least 10 times the thickness. Universal mill plate (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm, but not exceeding 1250 mm, and of a thickness of not less than 4 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of this order.

Specifically included in the scope of this order are vacuum-degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high-strength low-alloy (HSLA) steels, and the substrate for motor lamination steels. IF steels are recognized as low-carbon steels with micro-alloying levels of elements such as titanium or niobium (also commonly referred to as columbium), or both, added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of this order, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products in which: i) Iron predominates, by weight, over each of the other contained elements; ii) the carbon content is 2

¹ Petitioner in this case is United States Steel Corporation.