

photo ID for identification. When arriving for the meeting, please enter the South Building through the First Wing entrance on Independence Avenue.

**FOR FURTHER INFORMATION CONTACT:**

*For Further Information About the 38th Session of the CCFH Contact:* Rebecca Buckner, Alternate to the U.S. Delegate to the CCFH, FDA, Center for Food Safety and Applied Nutrition, Harvey W. Wiley Federal Building, 5100 Paint Branch Parkway, College Park, MD 20740-3835, Phone: (301) 436-1486, Fax: (301) 436-2668. E-mail: [Rebecca.Buckner@fda.hhs.gov](mailto:Rebecca.Buckner@fda.hhs.gov).

*For Further Information About the Public Meeting Contact:* Amjad Ali, International Issues Analyst, U.S. Codex Office, Food Safety and Inspection Service, Room 4861, South Building, 1400 Independence Avenue SW., Washington, DC 20250, Phone: (202) 205-7760, Fax: (202) 720-3157.

**SUPPLEMENTARY INFORMATION:**

**Background**

The Codex Alimentarius (Codex) was established in 1963 by two United Nations organizations, the Food and Agriculture Organization and the World Health Organization. Through adoption of food standards, codes of practice, and other guidelines developed by its committees, and by promoting their adoption and implementation by governments, Codex seeks to protect the health of consumers and ensure that fair practices are used in trade.

The Codex Committee on Food Hygiene was established to elaborate codes, standards and related texts for food hygiene. The Committee is hosted by the United States.

**Issues To Be Discussed at the Public Meeting**

The following items on the Agenda for the 38th Session of the Committee will be discussed during the public meeting:

- Matters referred to the Committee from the other Codex bodies.
- Draft Principles and Guidelines for the Conduct of Microbiological Risk Management and its Annexes.
- Draft Revision of the Code of Hygienic Practice for Egg Products and its Annex.
- Draft Guidelines on the Application of General Principles of Food Hygiene to the Control of *Listeria monocytogenes* in Ready-to-Eat Foods.
- Proposed Draft Code of Hygienic Practice for Powdered Formulae for Infants and Young Children.
- Proposed Draft Guidelines for the Validation of Food Hygiene Control Measures.

- Management of the Work of the Codex Committee on Food Hygiene.

Each issue listed will be fully described in documents distributed, or to be distributed, by the Secretariat prior to the Meeting. Members of the public may access or request copies of these documents (see **ADDRESSES**).

**Public Meeting**

At the November 9, 2006 public meeting, draft U.S. positions on the agenda items will be described, discussed, and attendees will have the opportunity to pose questions and offer comments. Written comments may be offered at the meeting or sent to the U.S. Delegate for the 38th Session of CCFH, Dr. Robert Buchanan (see **ADDRESSES**). Written comments should state that they relate to activities of the 38th Session of the CCFH.

**Additional Public Notification**

Public awareness of all segments of rulemaking and policy development is important. Consequently, in an effort to ensure that minorities, women, and persons with disabilities are aware of this notice, FSIS will announce it on-line through the FSIS Web page located at [http://www.fsis.usda.gov/regulations/2006\\_Notices\\_Index/](http://www.fsis.usda.gov/regulations/2006_Notices_Index/). FSIS also will make copies of this **Federal Register** publication available through the FSIS Constituent Update, which is used to provide information regarding FSIS policies, procedures, regulations, **Federal Register** notices, FSIS public meetings, recalls, and other types of information that could affect or would be of interest to constituents and stakeholders. The update is communicated via Listserv, a free electronic mail subscription service for industry, trade and farm groups, consumer interest groups, allied health professionals, and other individuals who have asked to be included. The update is available on the FSIS Web page. Through the Listserv and Web page, FSIS is able to provide information to a much broader and more diverse audience. In addition, FSIS offers an e-mail subscription service which provides automatic and customized access to selected food safety news and information. This service is available at [http://www.fsis.usda.gov/news\\_and\\_events/email\\_subscription/](http://www.fsis.usda.gov/news_and_events/email_subscription/). Options range from recalls to export information to regulations, directives and notices. Customers can add or delete subscriptions themselves and have the option to password-protect their account.

Done at Washington, DC on November 1, 2006.

**F. Edward Scarbrough,**

*U.S. Manager for Codex Alimentarius.*

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

(A-122-840)

**Notice of Preliminary Results of Antidumping Duty Administrative Review and Notice of Initiation of Changed Circumstances 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, 2004, to September 30, 2005 ("the POR"). We preliminarily determine that sales of subject merchandise by Ivaco Rolling Mills 2004 L.P. and Sivaco Ontario, a division of Sivaco Wire Group 2004 L.P., (the respondents collectively refer to themselves as "Ivaco") 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.

In response to Ivaco's January 12, 2006, response to the Department's original Section A questionnaire, notifying the Department that the assets of Ivaco, Inc. and all of its divisions (e.g., Sivaco Ontario, and Sivaco Quebec) had been purchased, the Department is self-initiating a changed circumstances review of the antidumping duty order on carbon and certain alloy steel wire rod from Canada.

**EFFECTIVE DATE:** November 6, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Damian Felton or Brandon Farlander, at (202) 482-0133 or (202) 482-0182, 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 29, 2002, the Department published in the **Federal Register** an antidumping duty order on carbon and certain alloy steel wire rod ("wire rod") from Canada. See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Carbon and Certain Alloy Steel Wire Rod from Canada*, 67 FR 65944 (October 29, 2002) ("Order"). On October 3, 2005, the Department issued a notice of opportunity to request an administrative review of this order for the October 1, 2004 through September 30, 2005 POR. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 70 FR 57558 (October 3, 2005). On October 31, 2005, in accordance with 19 CFR 351.213(b), Ivaco requested an administrative review. On December 1, 2005, the Department published the notice of initiation of this antidumping duty administrative review. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Deferral of Administrative Reviews*, 70 FR 72107 (December 1, 2005). In its January 12, 2006 response to Section A of the Department's original questionnaire, Ivaco notified the Department that the assets of Ivaco, Inc. and all of its divisions (e.g., Sivaco Ontario, and Sivaco Quebec) had been purchased on December 1, 2004. We received responses to the remaining section of our questionnaire on February 21, 2006.

## 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. 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.

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 grade 1080 tire cord quality wire rod and 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.

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 under review are currently classifiable under subheadings 7213.91.3010, 7213.91.3015, 7213.91.3090, 7213.91.3092, 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, 7227.90.6010, 7227.90.6051, 7227.90.6053, 7227.90.6058, 7227.90.6059, and 7227.90.6080 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

## Initiation of Changed Circumstances Review

Pursuant to section 751(b) of the Tariff Act of 1930, as amended ("the Act"), and 19 CFR 351.216, we will conduct a changed circumstances review upon receipt of information

concerning, or a request from an interested party for a review of, an antidumping duty finding or order which shows changed circumstances sufficient to warrant a review of the order. The information submitted by Ivaco stating the change in ownership and change in the respondent entities' legal names demonstrates changed circumstances sufficient to warrant a review. See 19 CFR 351.216(d).

The respondents named in our initiation notice were Ivaco Rolling Mills L.P. (aka Ivaco Rolling Mills 2004 L.P.), and Sivaco Ontario Processing (aka Sivaco Ontario, a division of Sivaco Wire Group 2004 L.P.).<sup>1</sup> In the most recently completed review, the responding entities were Ivaco Rolling Mills L.P. (the producer) and Ivaco Inc., which through its division Sivaco Ontario, purchased wire rod from Ivaco Rolling Mills L.P. and sold wire rod to unaffiliated customers after further processing. See *Notice of Final Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Canada*, 71 FR 3822 (January 24, 2006).

As noted above in the "Background" section of this notice, Ivaco notified the Department that the assets of Ivaco, Inc. and all of its divisions were purchased on December 1, 2004. Subsequent to the purchase, Ivaco Rolling Mills L.P. was renamed and is now known as Ivaco Rolling Mills 2004 L.P., and Sivaco Ontario and Sivaco Quebec<sup>2</sup> were reorganized into divisions of Sivaco Wire Group 2004 L.P. Ivaco, Inc. is now known as Heico 2004 Member Inc. ("Heico 2004"). Heico 2004 functions as a headquarters managing the operations of Ivaco Rolling Mills 2004 L.P. and Sivaco Wire Group 2004 L.P. Heico 2004, Ivaco Rolling Mills 2004 L.P., and Sivaco Wire group 2004 L.P. are commonly owned.

The Department is self-initiating a changed circumstances review to determine whether Ivaco Rolling Mills 2004 L.P. (referred to as "IRM" throughout the remainder of this notice) and Sivaco Wire Group 2004 L.P., including its divisions, Sivaco Ontario and Sivaco Quebec, are successors to Ivaco Rolling Mills L.P. and Ivaco Inc. We will publish in the **Federal Register** a notice of preliminary results of

antidumping duty changed circumstances review, in accordance with 19 CFR 351.221(b)(4) and 351.221(c)(3)(i), which will set forth the factual and legal conclusions upon which our preliminary results are based and a description of any action proposed based on those results. As per section 351.221(b)(4), interested parties will have an opportunity to comment. The Department will issue its final results of review no later than 270 days after publication of this notice of initiation. All written comments must be submitted to the Department and served on all interested parties on the Department's service list in accordance with 19 CFR 351.303.

During the course of this changed circumstances review, the current requirement for a cash deposit of estimated antidumping duties on all subject merchandise, including the merchandise subject to this changed circumstances review, will continue unless and until it is modified pursuant to the final results of this changed circumstances review or other administrative review.

#### 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 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 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.

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 Ivaco 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, and brokerage fees.

For CEP sales, we made the same adjustments to the starting price as for the EP transactions described above. Consistent with our treatment of these expenses in the most recent review, we recategorized freight from one unaffiliated processor in the United States to another unaffiliated processor in the United States as further manufacturing costs.<sup>3</sup> In addition, in accordance with section 772(d)(1) of the Act, 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 Damian Felton, International Trade Compliance Analyst, to Brandon Farlander, Program Manager, entitled, "Analysis Memorandum for Ivaco," dated October 31, 2006 ("Ivaco 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

<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Deferral of Administrative Reviews*, 70 FR 72107 (December 1, 2005).

<sup>2</sup> Sivaco Quebec purchases green wire rod from Ivaco Rolling Mills 2004 L.P. and draws the wire rod into wire and wire products that are not within the scope of this order for sale to customers in Canada and the United States. See Ivaco's January 12, 2006, response to Section A of the Department's questionnaire.

<sup>3</sup> See *Notice of Final Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Canada*, 71 FR 3822 (January 24, 2006); see also *Final Results of Stainless Steel Sheet and Strip in Coils from France*, 70 FR 7240 (February 11, 2005).

merchandise to the United States. See section 773(a)(1)(C) of the Act.

We found that Ivaco had a viable home market for steel wire rod. As such, Ivaco 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, 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.<sup>4</sup> See section 773(b) of the Act. Therefore, we have required Ivaco to file a Section D response for the Department's Questionnaire.

##### 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.

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

We compared the weighted-average COPs for the respondent to its 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 the respondent's sales of a given product during the POR were made at prices below the COP 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 determine 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 Ivaco made sales below cost and we disregarded such sales where appropriate.

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

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 circumstances of sale ("COS") pursuant to section 773(a)(6)(C)(iii) of the Act.

Specifically, 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). See section 773(a)(6)(C)(iii) of the Act. See also 19 CFR 351.410(c). Where we compared Ivaco's U.S. sales to home market sales of 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 respondent 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). Ivaco's sales to affiliated parties that were determined not to be at arm's length were disregarded 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). See section 773(a)(6)(C)(iii) of the Act. See also 19 CFR 351.410(c). 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 made at the same level of trade as the U.S. sales. 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 in accordance with section 773(a)(7)(A) of the Act.

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 the two channels constitute separate levels of trade 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

<sup>4</sup> See Notice of Final Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Canada, 69 FR 68309 (November 24, 2004); see also Notice of Final Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Rod from Canada, 71 FR 3822 (January 24, 2006).

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. Sales by Sivaco Ontario have different, more complex, distribution patterns, involving substantially greater selling activities. Therefore, based upon our analysis of the marketing process for these sales, we preliminarily determine that sales by Sivaco Ontario are at a more advanced stage than sales by IRM.

Ivaco's selling functions in the home market include 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 maintains a significant general inventory, which results in a significantly longer inventory turnover rate than that experienced by IRM. 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."<sup>5</sup>

Due to its provision of these inventory services, Sivaco Ontario ships more often than IRM and also offers its customers just-in-time ("JIT") delivery services. In contrast, 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 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.<sup>6</sup>

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 upon 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.

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 upon this, we preliminarily determine that EP sales by IRM are made at level of trade one, the same as IRM's home market sales. EP sales by Sivaco Ontario are made at level of trade

two, also the same level of trade as Sivaco Ontario's home market sales.

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. Based on our analysis of sales made at the two levels of trade in the home market, 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 using 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 selling 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 do 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 (direct sales by IRM), 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.

### 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.

### Preliminary Results of Review

As a result of this review, we preliminarily determine that the following weighted-average margin exists for the period October 1, 2004, through September 30, 2005:

<sup>5</sup> 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*).

<sup>6</sup> See Submission from Ivaco to the Department, Re: Section A Response (January 12, 2006) at pages A-37 - A-45.

Producer	Weighted-Average Margin (Percentage)
Ivaco .....	2.75

In accordance with 19 CFR 351.224(b), the Department will disclose calculations performed within 5 days of publication of this notice. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results. See 19 CFR 351.309(c)(ii). Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than five days after submission of case briefs. See 19 CFR 351.309(d). 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. 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. 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*, pursuant to 19 CFR 356.8(a), the Department intends to issue appropriate assessment instructions directly to CBP on or after 41 days following the publication of the final results of review.

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 Policy Notice"). 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 that the merchandise it sold to the intermediary (e.g., a reseller, trading company, or exporter) 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 intermediary involved in the transaction. See *Assessment Policy Notice* for a full discussion of this clarification.

#### 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 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.

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

Dated: October 31, 2006.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E6-18664 Filed 11-3-06; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

A-570-848

#### Freshwater Crawfish Tail Meat from the People's Republic of China: Notice of Amended Final Results and Amended Order Pursuant to Final Court Decision

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

**SUMMARY:** On April 3, 2006, the Court of International Trade ("CIT") affirmed the Department's remand determination and entered judgment in *Hontex Enterprises Inc., d/b/a Louisiana Packing Co. v. United States*, Ct. No. 02-00223, Slip Op. 06-42 (Ct. Int'l Trade April 3, 2006) ("*Hontex Judgment*"), which challenged certain aspects of the Department of Commerce's ("the Department") *Freshwater Crawfish Tail Meat from the People's Republic of China: Final Results of Administrative Antidumping Duty and New Shipper Reviews, and Final Rescission of New Shipper Review*, 65 FR 20948 (April 19, 2000) ("*Final Results*") and accompanying *Issues and Decision Memorandum for the Administrative Review of the Antidumping Duty Order on Freshwater Crawfish Tail Meat from the People's Republic of China From Edward C. Yang to Joseph A. Spetrini* ("*Decision Memo*"), dated April 19, 2000. As explained below, in accordance with the order contained in the CIT's April 3, 2006, *Hontex Judgment*, the Department is amending the *Final Results* to treat Huaiyin Foreign Trade Corporation (5) ("HFTC5") and Ningbo Nanlian Frozen Foods Company, Ltd. ("Ningbo Nanlian") as unaffiliated, non-collapsed entities.

**EFFECTIVE DATE:** November 6, 2006.

**FOR FURTHER INFORMATION CONTACT:** Scot T. Fullerton or Christopher D. Riker, AD/CVD Operations, Office 9, Import Administration, U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW., Room 4003, Washington, DC 20230; telephone: (202) 482-1386 or (202) 482-3441, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On April 19, 2000, the Department completed its *Final Results*, in which it