

Central Records Unit, Room B-099 of the main Commerce building.

Dated: August 13, 2002.

Holly A. Kuga,

Acting Deputy Assistant Secretary Import Administration, Group II.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-810]

Stainless Steel Bar from India: Preliminary Results of New Shipper Antidumping Duty Administrative Review

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

ACTION: Notice of Preliminary Results of New Shipper Antidumping Duty Administrative Review: Stainless Steel Bar from India.

SUMMARY: In response to a request from Uday Engineering Works, the Department of Commerce is conducting a new shipper administrative review of the antidumping duty order on stainless steel bar from India. This review covers sales of the subject merchandise to the United States during the period February 1 through July 31, 2001.

In these preliminary results, we find that Uday Engineering Works made sales of subject merchandise below normal value. The dumping margin is shown in the "Preliminary Results of Review" section of this notice. If these preliminary results are adopted in our final results, we will instruct the Customs Service to assess antidumping duties.

Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: August 19, 2002.

FOR FURTHER INFORMATION CONTACT: Cole Kyle, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482-1503.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, all references to the Department of

Commerce's ("the Department's") regulations are to 19 CFR Part 351 (April 2001).

Background

On July 25, 2001, the Department received a request from Uday Engineering Works ("Uday") to conduct a new shipper administrative review of the antidumping duty order on stainless steel bar from India. On August 13, 2001, the Department requested that Uday remedy certain deficiencies in its request for a new shipper review. On August 21, 2001, Uday submitted a revised request for a new shipper review. On August 31, 2001, the Department rejected Uday's new shipper request because of certain remaining deficiencies. Uday appropriately amended its request for a new shipper review on September 20, 2001. The Department published in the **Federal Register**, on October 23, 2001, a notice of initiation of a new shipper administrative review of Uday covering the period February 1 through July 31, 2001 (66 FR 53585). See 19 CFR 351.214(g)(1)(A).

On November 5, 2001, the Department issued an antidumping questionnaire to Uday. We received a response on January 9, 2002. On February 5, 2002, the petitioners submitted an allegation that Uday made sales below the cost of production ("COP").

On April 2, 2002, the Department found that because of the complexity of the issues involved in this case it was not practicable to complete the review in the time allotted, and we published an extension of time limit for the completion of the preliminary results of this review to no later than August 13, 2002, in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214(h)(2). See *Stainless Steel Bar from India; Notice of Extension of Time Limit for Preliminary Results of Antidumping Duty New Shipper Review*, 67 FR 16717 (April 8, 2002).

We found that the petitioners' allegation provided a reasonable basis to believe or suspect that sales by Uday in the home market had been made at prices below the cost of production and initiated a sales below cost investigation accordingly on April 16, 2002 (see memorandum from Team to Susan Kuhbach, Director, AD/CVD Enforcement Office 1, "Allegation of Sales Below the Cost of Production for Uday Engineering Works," dated April 16, 2002 ("Sales Below Cost Memorandum")). Also, on April 16, 2002, we requested that Uday respond to the Section D cost of production section of the Department's original

questionnaire. Uday filed its response to Section D on May 1, 2002.

We issued supplemental questionnaires to Uday and received responses in June and July 2002.

Scope of Review

Imports covered by this review are shipments of stainless steel bar ("SSB"). SSB means articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. SSB includes cold-finished SSBs that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut length flat-rolled products (*i.e.*, cut length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

The SSB subject to these orders is currently classifiable under subheadings 7222.10.0005, 7222.10.0050, 7222.20.0005, 7222.20.0045, 7222.20.0075, and 7222.30.0000 of the *Harmonized Tariff Schedule of the United States* ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this order is dispositive.

Export Price

In calculating the price to the United States, we used export price ("EP"), in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation into the United States. We calculated EP based on the C&F price to the United States. In accordance with section 772(c)(2) of the Act, we made deductions, as appropriate, for foreign inland freight and international freight.

In calculating the export price, we relied upon the data submitted by Uday, except as noted below:

a. We revised the reported gross unit price to reflect the currency in which the sale was made.

b. We recalculated entered value based on the revised gross unit price.

c. We made an adjustment for bank charges not reported by Uday.

d. We revised Uday's reported credit expenses to include a portion of the credit period that was unaccounted for in Uday's calculation.

e. We did not grant the duty drawback adjustment claimed by Uday. The Department grants a duty drawback adjustment when the respondent can demonstrate that there is "(1) a sufficient link between the import duty and the rebate, and (2) a sufficient amount of raw materials imported and used in the production of the final exported product" (see *Certain Welded Carbon Standard Steel Pipes and Tubes from India*, (62 FR 47632 at 47635) (September 10, 1997). In this instance, Uday has failed to demonstrate that it meets the criteria for a duty drawback adjustment.

For further discussion of the above-mentioned changes, see Memorandum to Case File "Uday Engineering Works Preliminary Results Calculation Memorandum" ("Calculation Memorandum") dated August 13, 2002, which is on file in the Central Records Unit ("CRU") in room B-099 of the main Department building.

Normal Value:

1. Home Market Viability

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, whether the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared Uday's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with 773(a)(1)(C) of the Act. Because Uday's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable.

2. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of Uday's cost of materials and fabrication for the foreign like product, plus amounts for general and administrative expenses (G&A), and interest expenses, where appropriate. We relied on the COP information provided by Uday in its questionnaire

and supplemental responses except that we revised Uday's G&A and financial expense rates to exclude packing and selling expenses from the cost of goods sold denominator (see Memorandum to Neal M. Halper "Cost of Production and Constructed Value Adjustments for Preliminary Determination" dated August 13, 2002).

3. Test of Home Market Prices

On a product-specific basis, we compared the weighted-average COPs to home market sales of the foreign like product during the period of review ("POR"), as required under section 773(b) of the Act, in order to determine whether sales had been made at prices below the COP. The prices were exclusive of commissions and indirect selling expenses, where appropriate. In determining whether to disregard home market sales made at prices below the COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether such sales were made (1) within an extended period of time in substantial quantities, and (2) at prices which did not permit the recovery of costs within a reasonable period of time.

4. Results of the COP Test

Pursuant to section 773(b)(1) of the Act, where less than 20 percent of a respondent's sales of a given product are made at prices below the COP, we do not disregard any below-cost sales of that product because we determine that in such instances the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product are at prices less than the COP, we determine that in such instances the below-cost sales represent "substantial quantities" within an extended period of time in accordance with section 773(b)(1)(A) of the Act. In such cases, we also determine whether such sales are made at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(1)(B) of the Act. If so, we disregard the below-cost sales.

We found that, for certain specific products, more than 20 percent of Uday's home market sales within an extended period of time were at prices less than the COP and did not provide for the recovery of costs. We therefore excluded these sales and used the remaining above-cost sales, if any, as the basis for determining NV, in accordance with section 773(b)(1).

For Uday's sales of subject merchandise for which there were no comparable home market sales in the ordinary course of trade (*e.g.*, sales that passed the cost test), we compared those

sales to constructed value ("CV"), in accordance with section 773(a)(4) of the Act.

5. Calculation of Constructed Value

Section 773(a)(4) of the Act provides that where NV cannot be based on home market sales, NV may be based on CV. Accordingly, for Uday, when sales of comparison products could not be found, either because there were no sales of a comparable product or all sales of the comparable products failed the COP test, we based NV on CV.

In accordance with section 773(e)(1) and (e)(2)(A) of the Act, we calculated CV based on the sum of the cost of materials and fabrication for the subject merchandise, plus amounts for selling expenses, G&A, including interest, profit and U.S. packing costs. We made the same adjustments to CV as described in the "Calculation of COP" section of this notice. In accordance with section 773(e)(2)(A) of the Act, we based selling expenses, G&A and profit on the 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 foreign country.

6. Calculation of Normal Value Based on Home Market Prices

We calculated NV based on ex-factory prices to unaffiliated customers in the home market. We made adjustments for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. We also deducted home market packing costs and added U.S. packing costs in accordance with sections 773(a)(6)(A) and (B) of the Act. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act for differences in circumstances of sale for imputed credit expenses, where appropriate. We calculated imputed credit expenses where Uday did not report them based on the time from when the merchandise was shipped to the receipt of payment (see *Calculation Memorandum*).

7. Calculation of Normal Value Based on Constructed Value

For price-to-CV comparisons, we made adjustments to CV in accordance with section 773(a)(8) of the Act. We made adjustments to CV for differences in circumstances of sale in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. In addition, we added U.S. packing costs.

Preliminary Results of Review

We preliminarily find the following weighted-average dumping margin:

Manufacturer/Exporter	Period of Review	Margin
Uday Engineering Works	2/1/01 - 7/31/01	20.36 %

Upon completion of this new shipper administrative review, the Department will instruct the Customs Service to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rate calculated in the final results of this review is above *de minimis* (i.e., 0.50 percent or greater). Accordingly, we have calculated importer-specific duty assessment rates for the merchandise in question. The assessment rate will be assessed uniformly on all entries of that particular importer made during the POR. The Department will issue assessment instructions directly to the Customs Service within 15 calendar days of the publication of the final results of review in the **Federal Register**.

Cash Deposit Rates

The following deposit requirements will be effective upon publication of the final results of this new shipper administrative review for all shipments of stainless steel bar from India entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate established in the final results of this review; (2) if the exporter is not a firm covered in this review, but was covered in a previous review or the original less than fair value ("LTFV") investigation, 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 previous review, or the original 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) the cash deposit rate for all other manufacturers and/or exporters of this merchandise, shall be 12.45 percent, the "all others" rate established in the LTFV investigation. (See 59 FR 66915, December 28, 1994).

These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Public Comment

Interested parties may request a hearing within 30 days of the date of publication of this notice. Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs (*see below*). Interested parties may submit written arguments in case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than five days after the date of filing the case briefs. Parties who submit briefs in these proceedings should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f)(3).

The Department will issue the final results of this administrative review within 90 days from the issuance of these preliminary results.

Notification to Importers

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 Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

This new shipper review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 13, 2002.

Richard Moreland,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE**International Trade Administration**

[A-588-702]

Notice of Rescission of Changed Circumstances Antidumping Duty Administrative Review: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings from Japan

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

ACTION: Notice of Rescission of Changed Circumstances Antidumping Duty Administrative Review.

DATES: EFFECTIVE DATE: August 19, 2002.

FOR FURTHER INFORMATION CONTACT: Jack K. Dulberger or Tom F. Futtner, AD/CVD Enforcement, Group II, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5505 or (202) 482-3814, respectively.

SUPPLEMENTARY INFORMATION:**The Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR Part 351 (2002).

Background

On March 25, 1988, the Department published in the **Federal Register** an antidumping order on Certain Stainless Steel Butt-Weld Pipe and Tube Fittings (SSPF) from Japan. *See Antidumping Duty Order of Sales at Less Than Fair Value: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings from Japan*, 53 FR 9787. On April 19, 2002, Benex submitted a letter requesting that the Department conduct an expedited changed circumstances review, pursuant to 19 CFR 351.216(e). On June 3, 2002, the Department initiated a