

November 1, 1998, through October 31, 1999:

Manufacturer/Exporter	Margin (percent)
Shinho .....	2.89
SeAH .....	0.96
HDP .....	2.83

#### Assessment Rates

Pursuant to 19 CFR 351.212(b), the Department calculates an assessment rate for each importer of the subject merchandise. Because certain importer-specific assessment rates calculated in these final results are above *de minimis* (i.e., at or above 0.5 percent), the Department will issue appraisal instructions directly to the Customs Service to assess antidumping duties on appropriate entries by applying the assessment rate to the entered value of the merchandise. For assessment purposes, we calculate importer-specific assessment rates for the subject merchandise by aggregating the dumping duties due for all U.S. sales to each importer and dividing the amount by the total entered value of the sales to that importer.

#### Cash Deposit Rates

To calculate the cash-deposit rate for each producer and/or exporter included in this administrative review, we divided the total dumping margins for each company by the total net value for that company's sales.

The following deposit requirements will be required on all shipments of standard pipe from Korea entered, or withdrawn from warehouse, for consumption, effective on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed companies will be the rates indicated above, except if the rate is less than 0.5 percent and, therefore, *de minimis*, the cash deposit will be zero; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in the original less-than-fair-value investigation or a previous review, the cash deposit will continue to be the most recent rate published in the final determination or final results for which the manufacturer or exporter received an individual rate; (3) if the exporter is not a firm covered in this review, the previous review, or the original 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 reviews, the cash deposit rate will be 4.80 percent, the "all others" rate established in the less-than-fair-value investigation. *See Notice of Antidumping Orders: Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea (Korea), Mexico, and Venezuela, and Amendment to Final Determination of Sales at Less Than Fair Value: Certain Circular Welded Non-Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992).

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

#### Notification to Importers

This notice 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.

#### Notification Regarding APOs

This notice also serves as a reminder to parties subject to administrative protective orders ("APOs") 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) of the Act.

Dated: April 5, 2001.

**Timothy J. Hauser,**

*Acting Under Secretary for International Trade.*

#### Appendix—List of Comments and Issues in the Decision Memorandum

##### A. General Issues

- Comment 1: Inclusion of Specification in Matching Criteria
- Comment 2: Exclusion of Certain Sales Entered During POR
- Comment 3: Exclusion of Certain Sales in Contemporaneous Window
- Comment 4: G & A and Interest Ratios

##### B. HDP Specific Issues

- Comment 5: HDP's Overrun Sales
- Comment 6: Application of the Arm's-length Test to HDP's Home Market Sales
- Comment 7: Calculation of HDP's Interest Expense Ratio
- Comment 8: Product Matching Codes for End Finish
- Comment 9: Separate Analysis of Products Produced by HDP and Those Further Manufactured by HDP

##### C. SeAH & Shinho Specific Issues

- Comment 10: Bad Debt Expenses
- Comment 11: Non-Operating Related Income Offsetting G & A Expenses
- Comment 12: Arm's-Length Test Should be Rerun for Certain of SeAH's Sales
- Comment 13: CEP Offset for Shinho and SeAH

[FR Doc. 01-8934 Filed 4-10-01; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-412-803]

#### Preliminary Results of Antidumping Duty Administrative Review; Industrial Nitrocellulose From the United Kingdom

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

**ACTION:** Notice of preliminary results of antidumping duty administrative review.

**EFFECTIVE DATE:** April 11, 2001.

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on industrial nitrocellulose (INC) from the United Kingdom in response to requests by the respondent Imperial Chemical Industries PLC and its affiliates Nobel Enterprises, a business unit of Nobel's Explosives Company, Ltd. (Nobel's) and ICI Americas Inc. (ICIA), (collectively ICI). This review covers sales of this merchandise made by one manufacturer/exporter of the subject merchandise, ICI, to the United States during the period July 1, 1999, through June 30, 2000.

We have preliminarily determined the dumping margin for ICI to be 3.52%. If these preliminary results are adopted in our final results of administrative review, we will instruct the United States Customs Service (Customs) to assess antidumping duties, as appropriate.

We invite interested parties to comment on these preliminary results. Parties who submit arguments are

requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument.

**FOR FURTHER INFORMATION CONTACT:** John Conniff or Michele Mire, AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1009 or (202) 482-4711, respectively.

*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 (2000).

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

The Department published in the **Federal Register** the antidumping duty order on INC from the United Kingdom on July 10, 1990 (55 FR 28270). On July 20, 2000, we published in the **Federal Register** (65 FR 45083), a notice of "Opportunity to Request an Administrative Review" of this order covering the period July 1, 1999, through June 30, 2000, hereafter referred to as the POR.

In accordance with 19 CFR 351.213(b), the respondent requested that we conduct an administrative review for the aforementioned period. The Department is now conducting this administrative review pursuant to section 751 of the Act.

##### **Scope of Review**

Imports covered by this review are shipments of INC from the United Kingdom. INC is a dry, white amorphous synthetic chemical with a nitrogen content between 10.8 and 12.2 percent, and is produced from the reaction of cellulose with nitric acid. INC is used as a film-former in coatings, lacquers, furniture finishes, and printing inks. The scope of this order does not include explosive grade nitrocellulose, which has a nitrogen content of greater than 12.2 percent.

INC is currently classified under Harmonized Tariff System (HTS) subheading 3912.20.00. While the HTS item number is provided for convenience and Customs purposes, the written description remains dispositive as to the scope of the product coverage.

##### **Product Comparisons**

To determine whether sales of INC from the United Kingdom to the United States were made at less than NV, we compared the CEP to the NV, as described in the *Constructed Export Price* and *Normal Value* sections of this notice. When making product comparisons in accordance with section 771(16) of the Act, we considered all products as covered by the *Scope of Review* section of this notice, above, that were sold by the respondent in the home market in the ordinary course of trade during the POR for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales of identical or similar merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the constructed value (CV) of the product sold in the home market during the comparison period.

##### **Constructed Export Price**

For the price to the United States, we used CEP, as defined in sections 772(b),(c) and (d) of the Act, because all sales to the first unaffiliated purchaser in the United States took place after importation. We calculated CEP based on packed, factory prices to unaffiliated customers in the United States. We made deductions from the starting price, where appropriate, for rebates, international freight, marine insurance, U.S. brokerage and handling, U.S. inland freight, U.S. duties, and direct and indirect selling expenses to the extent that they were associated with economic activity occurring in the United States. These included credit expenses and commissions as applicable, in accordance with sections 772(c)(2) and 772(d)(1) of the Act. Finally, we made an adjustment for CEP profit in accordance with sections 772(d)(3) and 772(f) of the Act.

##### **Normal Value**

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared the respondent's volume of home market sales of the foreign like product to the volume of its U.S. sales of the subject merchandise. Pursuant to sections 773(a)(1)(B) and (C) of the Act, because ICI'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 sales in the home market provide a viable basis for calculating NV.

##### **Cost of Production (COP) Analysis**

We initiated a below cost investigation on January 26, 2001, in response to a below cost allegation from the petitioner filed on November 27, 2000. The petitioner's COP allegation was company-specific, employed a reasonable methodology, made use of ICI's data on the record, provided evidence of below cost sales, and covered merchandise which is representative of the broader range of INC products sold by ICI in the United Kingdom. Therefore, we determined that petitioner's COP allegation provided a reasonable basis to initiate a COP investigation. See January 26, 2001 memorandum *Analysis of Petitioner's Allegation of Sales Below the Cost of Production for Imperial Chemical Industries PLC and its affiliates* from the Team to Thomas Futtner.

##### **Calculation of COP**

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP, by model, based on the sum of the cost of materials and fabrication employed in producing the foreign like product, plus amounts for home market selling, general and administrative (SG&A) expenses and packing costs in accordance with section 773(b)(3) of the Act. We used the home market sales data and COP information provided by ICI in its questionnaire responses.

##### *1. Test of Home Market Prices*

After calculating a weighted-average COP, we tested whether home market sales of INC were made at prices below COP within an extended period of time in substantial quantities, and whether such prices permitted recovery of all costs within a reasonable period of time. We compared model-specific COP's to the reported home market prices less any applicable movement charges, discounts, and indirect selling expenses.

##### *2. Affiliated-Party Transactions and Arm's-Length Test*

During the POR, ICI sold INC to one affiliated customer; therefore, we conducted an arm's-length test. To test whether these sales were made at arm's-length prices, we compared on a model-specific basis the starting prices of sales to affiliated and unaffiliated customers net of all discounts and rebates, movement charges, direct selling expenses, commissions, and home market packing. Where, for the tested models of subject merchandise, prices to the affiliated party were on average 99.5 percent or more of the price to the unaffiliated parties, we determined that sales made to the affiliated party were

at arm's-length. See 19 CFR 351.403(c) and 62 FR at 27355, *Preamble—Department's Final Antidumping Regulations* (May 19, 1997). The sales to ICI's affiliated customer did not pass the arm's-length test and thus we did not use them in our calculation of NV.

### 3. Results of COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of ICI's sales of a given model were at prices less than COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." In accordance with section 773(b)(2)(B) and (D) where 20 percent or more of home market sales of a given product during the POR were at prices less than the COP, we found that such sales were made in substantial quantities within an extended period of time. Because the sales prices would not permit recovery of all costs within a reasonable period of time, we disregarded those below-cost sales and used the remaining sales to determine NV in accordance with section 773(b)(1). For those models of INC for which there were no home market sales available for matching purposes, we compared CEP to CV.

### Comparisons to NV Based on Price

We calculated NV based on packed, ex-factory or delivered prices to unaffiliated purchasers in the home market. We made adjustments for discounts. Where applicable, we deducted home market packing costs and added U.S. packing costs. In accordance with section 773(a)(6) of the Act, where applicable, we made deductions from the starting price for inland freight and inland insurance. In addition, we made a circumstance of sale adjustment for imputed credit expenses, in accordance with section 773(a)(6)(C)(iii) of the Act. Prices were reported net of value added taxes (VAT) and, therefore, no deduction for VAT was necessary. We made adjustments, where appropriate, for physical differences in merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. We based this adjustment on the difference in the variable costs of manufacturing for the foreign like product and the subject merchandise.

We derived the CEP offset amount from the amount of the indirect selling expenses incurred on sales in the home market. See *Level of Trade* section of this notice. We limited the home market indirect selling expense deduction by the amount of the indirect selling expenses deducted from CEP, pursuant to section 772(d) of the Act.

### Constructed Value

In accordance with section 773(e) of the Act, we calculated CV based on the sum of ICI's cost of materials and fabrication employed in producing the subject merchandise, selling, SG&A and profit incurred and realized in connection with the production and sale of the foreign like product, and U.S. packing costs. In accordance with section 773(e)(2)(A), we based SG&A and profit on the amounts incurred and realized by ICI in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

We used the costs of materials, fabrication, and SG&A as reported in the CV portion of ICI's questionnaire response. We used the U.S. packing costs as reported in the U.S. sales portion of ICI's questionnaire response. We based selling expenses and profit on the information reported in the home market sales portion of ICI's questionnaire response. See *Certain Pasta from Italy; Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 61 FR 1344, 1349 (January 19, 1996). For selling expenses, we used the average of the home market selling expenses weighted by the respective quantities sold. For actual profit, we first calculated the difference between the home market sales value and home market COP for all home market sales in the ordinary course of trade, and divided the sum of these differences by the total home market COP for these sales. We then multiplied this percentage by the COP for each U.S. model to derive the profit amount. Finally, the CEP offset was derived in the same manner described in the *Normal Value* section of this notice.

### Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the EP or CEP transactions. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value (CV), that of the sales from which we derive SG&A expenses and profit. For EP, the U.S. LOT is also the level of the starting-price sale, which is usually from the exporter to the importer. For CEP, it is the level of the constructed sale from the exporter to the importer.<sup>1</sup> See *Notice*

*of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997) (*Carbon Steel Plate*).

To evaluate the LOT, we examined information regarding the distribution systems in both the U.S. and U.K. markets, including the selling functions, classes of customer, and selling expenses for the respondent. Customer categories such as distributors, retailers, or end-users are commonly used by petitioners and respondents to describe different LOTs, but, without substantiation, they are insufficient to establish that a claimed LOT is valid. An analysis of the chain of distribution and the selling functions substantiates or invalidates the claimed LOTs.

Our analysis of the marketing process in both the home market and the United States begins with goods being sold by the producer and extends to the sale to the final user. The chain of distribution between the producer and the final user may have many or few links, and each respondent's sales occur somewhere along this chain. We review and compare the distribution systems in the home market and the United States, including selling functions, class of customer, and the extent and level of selling expenses for each claimed LOT.

Unless we find that there are different selling functions for sales to the U.S. and home market sales, we will not determine that there are different LOTs. Different LOTs necessarily involve differences in selling functions, but differences in selling functions, even substantial ones, are not sufficient alone to establish a difference in the LOTs. Differences in LOTs are characterized by purchasers at different stages in the chain of distribution and sellers performing qualitatively or quantitatively different functions in selling to them. If the comparison-market sale is at a different LOT, and the difference affects price comparability, as manifested in a

the Act. See *Borden, Inc. v. United States*, 4 F.Supp.2d 1221 (1998) (*Borden*); and *Micron Technology, Inc. v. United States*, 40 F.Supp.2d 481 (1999) (*Micron*). The U.S. Court of Appeals for the Federal Circuit, however, has reversed the Court of International Trade's holdings in both *Micron* and *Borden* on the level of trade issue. The Federal Circuit held that the statute unambiguously requires Commerce to deduct the selling expenses set forth in section 772(d) from the CEP starting price prior to performing its LOT analysis. See *Micron Technology, Inc. v. United States*, Court Nos. 00-1058, -1060 (Fed. Cir. March 7, 2001); see also *Borden, Inc. v. United States*, Court Nos. 99-1575, -1576 (Fed. Cir. March 12, 2001) (unpublished opinion). Consequently, the Department will continue to adjust the CEP, pursuant to section 772(d), prior to performing the LOT analysis, as articulated by the Department's regulations at § 351.412.

<sup>1</sup> The Court of International Trade has held that the Department's practice of determining levels of trade for CEP transactions after CEP deductions is an impermissible interpretation of section 772(d) of

pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). *See Carbon Steel Plate*, 62 FR at 61732, 61733.

ICI did not claim a LOT adjustment. Nevertheless, we evaluated whether a LOT adjustment was necessary by examining ICI's distribution system, including selling functions, classes of customers, and selling expenses. In reviewing ICI's home market distribution channels, we found that the POR sales of the merchandise under review were made at only one LOT in the home market. With respect to U.S. sales, after making deductions to the CEP sales pursuant to section 772(d) of the Act, we found the selling activities performed by ICI for the CEP sales to its affiliate were limited to order processing and arranging transportation. Therefore, we found that the selling functions performed for the NV LOT (*i.e.*, sales solicitation, price negotiation, customer visits, advertising, technical support, invoicing, and billing adjustment) were different and more advanced than the selling functions performed for the US LOT. We, therefore, evaluated whether we could determine if the difference in LOT affected price comparability. The effect on price comparability must be demonstrated by a pattern of consistent price differences between sales at the two relevant LOTs in the comparison market. Because there was only one home market LOT, we were unable to determine whether there was a pattern of consistent price differences based on home market sales of subject merchandise, and, therefore, were unable to quantify a LOT adjustment based on a pattern of consistent price differences, in accordance with section 773(a)(7)(B) of the Act. Therefore, we have preliminarily determined to grant a CEP offset to ICI. *See Memorandum Regarding Industrial Nitrocellulose from the United Kingdom-Level of Trade Analysis-Imperial Chemical Industries, PLC*, dated March 15, 2001.

#### Currency Conversion

For purposes of the preliminary results, we made currency conversions in accordance with section 773A of the Act, based on the exchange rates in effect on the dates of the U.S. sales as

certified by the Federal Reserve Bank of New York. *See Change in Policy Regarding Currency Conversions*, 61 FR 9434 (March 8, 1996).

#### Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following weighted-average dumping margin exists:

Exporter/Manufacturer	Weighted average margin
Imperial Chemical Industries PLC .....	3.52%

We will disclose the calculations used in our analysis to parties to this proceeding within five days of the publication date of this notice. *See* 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of the date of publication of this notice. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 44 days after the date of publication, or the first workday thereafter. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Parties who submit case briefs in this proceeding should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. Further, we would appreciate it if parties submitting written comments would provide the Department with an additional copy of the public version of any such comments on diskette. The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments or at the hearing, within 120 days from the publication of these preliminary results.

#### Assessment Rate

Pursuant to 19 CFR 351.212(b), the Department shall determine, and the United States Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(1), we have calculated an importer-specific assessment rate by aggregating the dumping margins calculated for all U.S. sales and dividing this amount by the estimated entered value (provided by respondent) of the same merchandise on an importer-specific basis. Upon completion of this review, where the importer-specific assessment rate is above *de minimis*, the Department will instruct the U.S. Customs Service to

assess antidumping duties on all entries of subject merchandise by that importer during the POR.

#### Cash Deposit Requirements

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402 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 double antidumping duties.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: April 2, 2001.

**Bernard T. Carreau,**

*Deputy Assistant Secretary, Import Administration.*

[FR Doc. 01-8936 Filed 4-10-01; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-560-811; A-455-803; A-823-809]

#### Notice of Final Determinations of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Indonesia, Poland and Ukraine

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

**EFFECTIVE DATE:** April 11, 2001.

**FOR FURTHER INFORMATION CONTACT:** Maisha Cryor at (202) 482-5831 (for Indonesia), Valerie Ellis at (202) 482-2336 (for Poland), or Keir Whitson at (202) 482-1777 (for Ukraine), AD/CVD Enforcement, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### The 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 (URAA). In addition, unless otherwise indicated, all citations