

**Currency Conversion**

We made currency conversions pursuant to section 351.415 of the

Department's regulations at the rates certified by the Federal Reserve Bank.

**Preliminary Results of Review**

We preliminarily determine that the following dumping margin exists:

Manufacturer/Exporter	Time period	Margin (percent)
Hitachi Zosen Corp./Hitachi Zosen Fukui Corp .....	02/01/01–01/31/02	0.00

**Duty Assessments and Cash Deposit Requirements**

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate appraisement instructions directly to the U.S. Customs Service within 15 days of publication of the final results of review. Furthermore, the following deposit rates will be effective with respects to all shipments of MTPs from Japan entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results, as provided for by section 751(a)(2)(C) of the Act: (1) For HZC and H&F, the cash deposit rate will be the rate established in the final results of this review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will be the company-specific rate established 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 subject merchandise; and (4) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be the all other rate established in the LTFV investigation, which is 14.51 percent. *See Notice of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Mechanical Transfer Presses from Japan*, 55 FR 5642 (February 16, 1990). These deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

**Public Comment**

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Normally, case briefs are to be submitted within 30 days after the date of publication of this

notice, and rebuttal briefs, limited to arguments raised in case briefs, are to be submitted no later than five days after the time limit for filing case briefs. Parties who submit arguments in this proceeding are requested to submit with the argument: (1) A statement of the issues, and (2) a brief summary of the argument. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs. Parties will be notified of the time and location. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief, not later than 120 days after publication of these preliminary results, unless extended.

**Notification to Importers**

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 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 administrative review and notice are issued in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. § 1675(a)(1) and 19 U.S.C. 1677f(i)(1)).

Dated: February 28, 2003.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 03–5496 Filed 3–6–03; 8:45 am]

**BILLING CODE 3510–DS–P**

**DEPARTMENT OF COMMERCE****International Trade Administration**

[A–570–501]

**Notice of Preliminary Results of Administrative Review: Natural Bristle Paintbrushes and Brush Heads From the People's Republic of China**

**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 natural bristle paintbrushes and brush heads (natural paintbrushes) from the People's Republic of China (PRC) in response to a request from the Paint Applicator Division of the American Brush Manufacturers Association ("Paint Applicator Division"), the petitioner, for the company Hunan Provincial Produce & Animal By-Products Import & Export Corporation ("Hunan"). Hunan's period of review (POR) is February 1, 2001, through January 31, 2002.

We preliminarily determine that sales by Hunan have not been made below normal value (NV). The preliminary results are listed below in the section titled "Preliminary Results of Reviews." If these preliminary results are adopted in our final results, for entries made by Hunan, we will instruct the U.S. Customs Service to not assess antidumping duties on the exports subject to this review. Interested parties are invited to comment on these preliminary results. (See the "Preliminary Results of Review" section of this notice.)

**EFFECTIVE DATE:** March 7, 2003.

**FOR FURTHER INFORMATION CONTACT:** Douglas Kirby or Sean Carey, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington DC 20230; telephone: (202) 482–3782 or (202) 482–3964, respectively.

**SUPPLEMENTARY INFORMATION:**

## Background

On February 1, 2002, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on natural paintbrushes from the People's Republic of China (PRC) (67 FR 4945). On February 28, 2002, the Department received a timely request from the Paint Applicator Division of the American Brush Manufacturers Association, the petitioner, for administrative reviews of Hunan and Hebei Founder Import and Export Company (Hebei). On March 27, 2002, the Department initiated an administrative review of the antidumping duty order on natural paintbrushes, for the period from February 1, 2001, through January 31, 2002, in order to determine whether merchandise imported into the United States is being sold at less than fair value with respect to these two companies. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocations in Part*, 67 FR 14696 (March 27, 2002).

On May 1, 2002, the Department issued antidumping questionnaires to Hunan and Hebei. In its reply to section A of the questionnaire, Hebei stated that it had made no sales or shipments of subject merchandise to the United States during the POR. The Department also performed a U.S. Customs Service (Customs) data query for entries of paintbrushes from the PRC classified under the Harmonized Tariff Schedule of the United States (HTSUS) item number 9603.40.40.40 during the POR. We found no entries or shipments from Hebei during the POR. Thus, the Department rescinded the review with respect to Hebei. See *Natural Bristle Paintbrushes From the People's Republic of China; Notice of Rescission, In Part, of Antidumping Administrative Review*, 67 FR 58018 (September 13, 2002). On November 1, the Department extended the deadline for the preliminary results of review of Hunan until January 23, 2003 (67 FR 66614). This deadline was then fully extended, in accordance with 751(a)(3)(A) of the Tariff Act of 1930 ("The Act") by another 36 days (68 FR 4761).

## Scope of the Antidumping Duty Order

The products covered by the order are natural paintbrushes from the PRC. Excluded from the order are paintbrushes and brush heads with a blend of 40 percent natural bristles and 60 percent synthetic filaments. The merchandise under review is currently classifiable under item 9603.40.40.40 of the Harmonized Tariff Schedule of the

United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the Department's written description of the merchandise is dispositive.

## Separate Rates

The Department's standard policy is to assign to all exporters of the merchandise subject to review in non-market economy ("NME") countries a single rate, unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. Hunan stated in its questionnaire response that it is an autonomous legal entity that is completely independent of any government control. In order to establish whether a company operating in a non-market economy ("NME") country is sufficiently independent to be entitled to a separate, company-specific rate, the Department analyzes each exporting entity in a NME country under the test established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("*Sparklers*"), as amplified by the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("*Silicon Carbide*").

Evidence supporting, though not requiring, a finding of *de jure* absence of government control includes: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; or (3) any other formal measures by the government decentralizing control of companies. *De facto* absence of government control with respect to exports is based on four criteria: (1) Whether the export prices are set by or subject to the approval of a government authority; (2) whether each exporter retains the proceeds from its sales and makes independent decisions regarding the disposition of profits and financing of losses; (3) whether each exporter has autonomy in making decisions regarding the selection of management; and (4) whether each exporter has the authority to sign contracts and other agreements.

### 1. Absence of De Jure Control

With respect to the absence of *de jure* government control over the export activities of the company reviewed, evidence on the record supports the claim made by Hunan that its export activities are not controlled by the government. Hunan submitted evidence

of its legal right to set prices independently of all government oversight. In its questionnaire response, Hunan submitted several legislative enactments that have decentralized control of business enterprises and their business activities. Hunan's business license also indicates that the company is permitted to engage in the exportation of natural bristle paintbrushes. We have not found any evidence of *de jure* government control that either restricts Hunan's exportation of natural bristle paintbrushes, or limits its ability to enter contracts and account for its own profits and losses. Therefore, we preliminarily determine that there is an absence of *de jure* control over export activity with respect to Hunan.

### 2. Absence of De Facto Control

With respect to the absence of *de facto* control over export activities, the information submitted on the record indicates that the general manager of Hunan is elected by company personnel and has the authority to appoint Hunan's senior management. Our analysis indicates that there is no government involvement in Hunan's daily operations or the selection of its management. In addition, Hunan's questionnaire response states that the company sets its own export prices, determines its own use of export revenues, and independently negotiates sales contracts free from government interference. Finally, decisions made by Hunan concerning its choice of suppliers and customers are not subject to government approval.

Consequently, because evidence on the record indicates an absence of government control, both in law and in fact, over its export activities, we preliminarily determine that a separate rate should be applied to Hunan. For further discussion of the Department's preliminary determination regarding the issuance of separate rates, see *Separate Rates Decision Memorandum* to Dana Mermelstein, Program Manager, Office of AD/CVD Enforcement VII, dated February 28, 2003. A public version of this memorandum is on file in the Department's Central Record Unit (CRU).

## Normal Value Comparisons

To determine whether the respondent's sale of the subject merchandise to the United States was made at prices below NV, we compared its U.S. prices to NV, as described below in the "United States Price" and "Normal Value" sections of this notice.

### United States Price

For Hunan, we based the United States price on export price (EP) in accordance with section 772(a) of the Act, because the first sale to an unaffiliated purchaser was made prior to importation, and constructed export price (CEP) was not otherwise warranted by the facts on the record. We calculated EP based on the packed price from the exporter to the first unaffiliated purchaser in the United States. We deducted foreign inland freight from the starting price (gross unit price) in accordance with section 772(c) of the Act. According to the questionnaire response, the U.S. customer was responsible for all other movement expenses incurred in both the PRC and the United States and therefore, we made no other deductions for movement expenses.

### Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using a factors-of-production methodology if (1) The merchandise is exported from an NME country, and (2) available information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act.

In every case conducted by the Department involving the PRC, the PRC has been treated as an NME country. Pursuant to section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. Hunan did not contest such treatment in this review. Accordingly, we have applied surrogate values to the factors of production to determine NV. See *Factor Values Memo for the Preliminary Results of the Antidumping Duty Administrative Review of Natural Bristle Paintbrushes from the People's Republic of China*, February 28, 2003 (*Factor Values Memo*).

We calculated NV based on factors of production in accordance with section 773(c)(4) of the Act and section 351.408(c) of our regulations. Consistent with the original investigation and the subsequent administrative reviews of this order, we determined that Indonesia (1) Is comparable to the PRC in level of economic development, and (2) is a significant producer of comparable merchandise. See *Memorandum to Dana Mermelstein from Jeffrey May: Natural Bristle Paintbrushes from the People's Republic of China: Non-market Economy Status and Surrogate Country Selection*, dated

October 22, 2002. We valued the factors of production using publicly available information from Indonesia. We adjusted the Indonesian import prices by adding freight expenses to make them delivered prices.

We valued the factors of productions for material inputs and packing materials as follows. For brush handles, bristles, epoxy, nails, ferrules, plastic bags, cartons and plastic strips, we used per kilogram Indonesian import values reported in U.S. dollars and obtained from Indonesia's *Foreign Trade Statistical Bulletin* (Biro Pusat Statistik). For wooden core, we used the same information source based on a U.S. dollar per cubic meter value that was subsequently converted to kilograms. Since all these statistics were contemporaneous with the POR, we did not need to make any adjustments for inflation. We calculated surrogate freight costs for these factors using the shorter of (a) the distance between the closest PRC port and the factory, or (b) the distance between the domestic supplier and the factory. See *Notice of Final Determination of Sales at Less Than Fair Value: Collated Roofing Nails From the People's Republic of China*, 62 FR 51410 (October 1, 1997) (*Roofing Nails*).

For electricity rates, we used a published Indonesian value for the average cost of electricity supplied to industries in 1999. This value is reported by the International Energy Agency on a rupiahs per kilowatt hour basis in its publication, *Energy Prices and Taxes, First Quarter 2000*. We converted the rupiah to U.S. dollars using the average exchange rate during the POR. We adjusted this value for inflation using the Consumer Price Indices for Indonesia as published in selected issues of the *IFS*.

For labor, we used the PRC regression-based wage rate at Import Administration's home page, Import Library, Expected Wages of Selected NME Countries, revised in September 2002. Because of the variability of wage rates in countries with similar per capita gross domestic products, § 351.408(c)(3) of the Department's regulations requires the use of a regression-based wage rate. The source of these wage rate data on the Import Administration's web site is the *Year Book of Labour Statistics 2001*, International Labour Office (Geneva: 2001), Chapter 5B: Wages in Manufacturing.

We valued movement expenses as follows: To value truck freight expenses, we used a USD price quote from August 1999 listed by an Indonesian trucking company on a kilogram per-kilometer basis, that was used in the antidumping

investigation of certain small diameter carbon and alloy seamless standard line and pressure pipe from Romania. See *Factors of Production Valuation Memorandum for Preliminary Determination* from David Goodman, Case Analyst, through Charles Riggles, Program Manager, to Gary Taverman, Director, Office 5 (January 28, 2000). To value inland rail freight expenses, we used a USD rate provided in a December 1994 cable from the American Embassy in Jakarta, Indonesia, which was likewise, used in the antidumping investigation of certain small diameter carbon and alloy seamless standard line and pressure pipe from Romania noted above. We adjusted both rates to reflect inflation using the Producer Price Indices ("PPI") for the United States from the *IFS*.

For factory overhead, selling, general and administrative expenses (SG&A), and profit, we used data from the *Large and Medium Manufacturing Statistics: 1995, Vol. III*, published by the Government of Indonesia. This source provides a cost breakdown for large and medium sized manufacturers in Indonesia of 122 products, including paintbrushes, that are classified under Indonesia's industrial code 390390. We calculated factory overhead as a percentage of total fixed and variable overhead over total materials, labor, and energy (cost of manufacture). We calculated an SG&A rate by dividing SG&A expenses by the cost of manufacture. Lastly, we calculated a profit rate by dividing profit by the cost of production. For more information, see *Memorandum to Dana S. Mermelstein, Program Manager, from Douglas Kirby and Sean Carey, Case Analysts; 2001-2002 Antidumping Administrative Review of Natural Bristle Paintbrushes and Brush Heads from the People's Republic of China: Factors Values Memorandum*, dated February 28, 2003.

### Preliminary Results of Review

We preliminarily determine the weighted average dumping margin for Hunan for the period February 1, 2001, through January 31, 2002, to be 0.00 percent.

### Duty Assessments and Cash Deposit Requirements

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate appraisement instructions directly to the Customs Service within 15 days of publication of the final results of review. Furthermore, the following deposit rates will be effective

with respect to all shipments of paintbrushes from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this review, as provided for by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for the reviewed company listed above will be the rate for that firm established in the final results of this review except that, for firms whose weighted-average margins are less than 0.5 percent and therefore *de minimis*, the Department shall require no deposit of estimated antidumping duties; (2) for companies previously found to be entitled to a separate rate and for which no review was requested, the cash deposit rate will be the rate established in the most recent review of that company; (3) for all other PRC exporters of subject merchandise, the cash deposit rate will be the PRC-wide rate of 351.92 percent; and (4) the cash deposit rate for non-PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

#### Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Normally, case briefs are to be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, are to be submitted no later than five days after the time limit for filing case briefs. Parties who submit arguments in this proceeding are requested to submit with the argument: (1) A statement of the issues, and (2) a brief summary of the argument. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs. Parties will be notified of the time and location.

The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief, not later than 120 days, unless extended, after publication of these preliminary results.

#### Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under § 351.402(f)(2) of the Department's regulations 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 administrative review and notice are in accordance with sections 751(a)(3)(A) and 777(i)(1) of the Act.

Dated: February 28, 2003.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 03-5494 Filed 3-6-03; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-475-818]

#### Certain Pasta from Italy: Notice of Initiation of New Shipper Antidumping Duty Review

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

**SUMMARY:** The Department of Commerce ("the Department") has received a request for a new shipper review of the antidumping duty order on certain pasta from Italy. The request fulfilled all regulatory requirements. Therefore, in accordance with our regulations, we are initiating this new shipper review.

**EFFECTIVE DATE:** March 7, 2003.

#### FOR FURTHER INFORMATION CONTACT:

James Terpstra or Mark Young at (202) 482-3965 or 482-6397, respectively; AD/CVD Enforcement, Group II, Office VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230.

#### SUPPLEMENTARY INFORMATION:

## Background

On December 17, 2002, the Department received a request from a pasta producer, Pastificio Carmine Russo S.p.A. ("Russo"), to conduct a new shipper review of the antidumping duty order on certain pasta from Italy, issued July 24, 1996 (61 FR 38547). This request was made pursuant to section 751(a)(2)(B) of the Tariff Act of 1930, as amended ("the Act"), and 19 CFR 351.214(b) (2002). On February 24, 2003, the Department received an additional submission from Russo in which Russo provided information to the Department describing how Russo was formed as a new corporate entity through a corporate buy-out of its predecessor, Carmine Russo, S.p.A. Because Russo's claim to new shipper status is based, in part, on this information, we will further review this change-in-ownership as part of the new shipper review of the antidumping duty order.

## Initiation of Review

Pursuant to 19 CFR 351.214(b), in its request of December 17, 2002, Russo certified that it did not export the subject merchandise to the United States during the period of investigation ("POI") (May 1, 1994 through April 30, 1995) and that it is not now and never has been affiliated with any exporter or producer who exported the subject merchandise to the United States during the POI. Russo submitted documentation establishing the date on which it first shipped the subject merchandise for export to the United States, the volume of that first shipment, the date of its first sale to an unaffiliated customer in the United States, and the date and volume of all subsequent shipments.

In accordance with section 751(a)(2)(B) of the Act and section 351.214(d) of the Department's regulations, we are initiating a new shipper review of the antidumping duty order on certain pasta from Italy. In accordance with 19 CFR 351.214(h)(i), we intend to issue the preliminary results of this review not later than 180 days from the date of publication of this notice. The standard period of review in a new shipper review initiated in the month immediately following the semiannual anniversary month is the six-month period immediately preceding the semiannual anniversary month.