

Dated: April 3, 2006.

David M. Spooner,

Assistant Secretary for Import Administration.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

A-122-838

#### Notice of Initiation of Antidumping Duty Changed Circumstances Review: Certain Softwood Lumber Products from Canada

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

**SUMMARY:** In response to a request from Ivis Partners Ltd. (IVIS), the Department of Commerce is initiating a changed circumstances review of the antidumping duty order on certain softwood lumber products from Canada.

**EFFECTIVE DATE:** April 10, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Constance Handley or David Layton, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0631 or (202) 482-0371, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background:**

On May 22, 2002, the Department of Commerce (Department) issued the antidumping duty order on certain softwood lumber products from Canada. See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Softwood Lumber Products From Canada*, 67 FR 36067 (May 22, 2002). On February 16, 2006, IVIS requested that the Department initiate a changed circumstances review, in accordance with section 351.216 of the Department's regulations, to confirm that IVIS is the successor-in-interest to Ivis Wood. In its request, IVIS stated that it purchased Ivis Wood, including equipment and inventory, and provided supporting documentation.

**Scope of the Order**

The products covered by this order are softwood lumber, flooring and siding (softwood lumber products). Softwood lumber products include all products classified under subheadings 4407.1000, 4409.1010, 4409.1090, and 4409.1020, respectively, of the Harmonized Tariff Schedule of the

United States (HTSUS), and any softwood lumber, flooring and siding described below. These softwood lumber products include:

- (1) Coniferous wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding six millimeters;
- (2) Coniferous wood siding (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, v-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed;
- (3) Other coniferous wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, v-jointed, beaded, molded, rounded or the like) along any of its edges or faces (other than wood mouldings and wood dowel rods) whether or not planed, sanded or finger-jointed; and
- (4) Coniferous wood flooring (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, v-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed.

Although the HTSUS subheadings are provided for convenience and U.S. Customs purposes, the written description of the merchandise subject to this order is dispositive.

As specifically stated in the Issues and Decision Memorandum accompanying the *Notice of Final Determination of Sales at Less Than Fair Value: Certain Softwood Lumber Products from Canada*, 67 FR 15539 (April 2, 2002) (see comment 53, item D and comment 57, item B-7) available at [www.ia.ita.doc.gov/frn](http://www.ia.ita.doc.gov/frn), drilled and notched lumber and angle cut lumber are covered by the scope of this order.

The following softwood lumber products are excluded from the scope of this order provided they meet the specified requirements detailed below:

- (1) *Stringers* (pallet components used for runners): if they have at least two notches on the side, positioned at equal distance from the center, to properly accommodate forklift blades, properly classified under HTSUS 4421.90.98.40.
- (2) *Box-spring frame kits*: if they contain the following wooden pieces - two side rails, two end (or top) rails and varying numbers of

slats. The side rails and the end rails should be radius-cut at both ends. The kits should be individually packaged, they should contain the exact number of wooden components needed to make a particular box spring frame, with no further processing required. None of the components exceeds 1" in actual thickness or 83" in length.

- (3) *Radius-cut box-spring-frame components*, not exceeding 1" in actual thickness or 83" in length, ready for assembly without further processing. The radius cuts must be present on both ends of the boards and must be substantial cuts so as to completely round one corner.
- (4) *Fence pickets* requiring no further processing and properly classified under HTSUS 4421.90.70, 1" or less in actual thickness, up to 8" wide, 6' or less in length, and have finials or decorative cuttings that clearly identify them as fence pickets. In the case of dog-eared fence pickets, the corners of the boards should be cut off so as to remove pieces of wood in the shape of isosceles right angle triangles with sides measuring 3/4 inch or more.
- (5) *U.S. origin lumber* shipped to Canada for minor processing and imported into the United States, is excluded from the scope of this order if the following conditions are met: 1) the processing occurring in Canada is limited to kiln-drying, planing to create smooth-to-size board, and sanding, and 2) if the importer establishes to the satisfaction of U.S. Customs and Border Protection (CBP) that the lumber is of U.S. origin.
- (6) *Softwood lumber products contained in single family home packages or kits*<sup>1</sup>, regardless of tariff classification, are excluded from the scope of this order if the importer certifies to items 6 A, B, C, D, and requirement 6 E is met:
  - A. The imported home package or kit constitutes a full package of the number of wooden pieces specified in the plan, design or blueprint necessary to produce a home of at least 700 square feet produced to a specified plan, design or blueprint;
  - B. The package or kit must contain all necessary internal and external doors and windows, nails, screws, glue, sub floor, sheathing, beams,

<sup>1</sup> To ensure administrability, we clarified the language of exclusion number 6 to require an importer certification and to permit single or multiple entries on multiple days as well as instructing importers to retain and make available for inspection specific documentation in support of each entry.

posts, connectors, and if included in the purchase contract, decking, trim, drywall and roof shingles specified in the plan, design or blueprint;

- C. Prior to importation, the package or kit must be sold to a retailer of complete home packages or kits pursuant to a valid purchase contract referencing the particular home design plan or blueprint, and signed by a customer not affiliated with the importer;
- D. Softwood lumber products entered as part of a single family home package or kit, whether in a single entry or multiple entries on multiple days, will be used solely for the construction of the single family home specified by the home design matching the entry.
- E. For each entry, the following documentation must be retained by the importer and made available to CBP upon request:
- i. A copy of the appropriate home design, plan, or blueprint matching the entry;
  - ii. A purchase contract from a retailer of home kits or packages signed by a customer not affiliated with the importer;
  - iii. A listing of inventory of all parts of the package or kit being entered that conforms to the home design package being entered;
  - iv. In the case of multiple shipments on the same contract, all items listed in E(iii) which are included in the present shipment shall be identified as well.

Lumber products that CBP may classify as stringers, radius cut box-spring-frame components, and fence pickets, not conforming to the above requirements, as well as truss components, pallet components, and door and window frame parts, are covered under the scope of this order and may be classified under HTSUS subheadings 4418.90.45.90, 4421.90.70.40, and 4421.90.97.40.

Finally, as clarified throughout the course of the investigation, the following products, previously identified as Group A, remain outside the scope of this order. They are:

1. Trusses and truss kits, properly classified under HTSUS 4418.90;
2. I-joist beams;
3. Assembled box spring frames;
4. Pallets and pallet kits, properly classified under HTSUS 4415.20;
5. Garage doors;
6. Edge-glued wood, properly classified under HTSUS 4421.90.98.40;
7. Properly classified complete door frames;

8. Properly classified complete window frames;

9. Properly classified furniture.

In addition, this scope language was further clarified to specify that all softwood lumber products entered from Canada claiming non-subject status based on U.S. country of origin will be treated as non-subject U.S.-origin merchandise under the antidumping and countervailing duty orders, provided that these softwood lumber products meet the following condition: upon entry, the importer, exporter, Canadian processor and/or original U.S. producer establish to CBP's satisfaction that the softwood lumber entered and documented as U.S.-origin softwood lumber was first produced in the United States as a lumber product satisfying the physical parameters of the softwood lumber scope.<sup>2</sup> The presumption of non-subject status can, however, be rebutted by evidence demonstrating that the merchandise was substantially transformed in Canada.

On March 3, 2006 the Department issued a scope ruling that any product entering under HTSUS 4409.10.05 which is continually shaped along its end and/or side edges which otherwise conforms to the written definition of the scope is within the scope of the order.<sup>3</sup>

#### Initiation

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), the Department 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 order which shows changed circumstances sufficient to warrant a review of the order. As indicated in the *Background* section, we have received information indicating that Ivis Wood has been sold to IVIS. This constitutes changed circumstances warranting a review of the order. Therefore, in accordance with section 751(b)(1) of the Act, we are initiating a changed circumstances review based upon the information contained in IVIS' request.

In making successor-in-interest determinations, the Department examines several factors including, but not limited to, changes in: (1) Management; (2) production facilities; (3) supplier relationships; and (4)

<sup>2</sup> See the scope clarification message (t 3034202), dated February 3, 2003, to CBP, regarding treatment of U.S. origin lumber on file in Room B-099 of the Central Records Unit (CRU) of the Main Commerce Building.

<sup>3</sup> See memorandum from Constance Handley, Program Manager to Stephen J. Claeys, Deputy Assistant Secretary regarding: Scope Request by the Petitioner Regarding Entries Made Under HTSUS 4409.10.05, dated March 3, 2006.

customer base. See, e.g., *Polychloroprene Rubber from Japan: Final Results of Changed Circumstances Review*, 67 FR 58 (January 2, 2002) citing, *Brass Sheet and Strip from Canada: Notice of Final Results of Antidumping Duty Administrative Review*, 57 FR 20460 (May 13, 1992). While no single factor, or combination of factors, will necessarily prove dispositive, the Department will generally consider the new company to be the successor to its predecessor company if the resulting operations are essentially the same as the predecessor company. *Id.* citing, *Industrial Phosphoric Acid from Israel: Final Results of Changed Circumstances Review*, 59 FR 6944, 6945 (February 14, 1994). Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as its predecessor, the Department will assign the new company the cash-deposit rate of its predecessor.

In its February 3, 2006, submission (received by the Department on February 16, 2006), Ivis states that it was incorporated in British Columbia on September 5, 2005, and that on September 30, 2005, it purchased Ivis Wood, including its equipment and inventory. According to IVIS, in light of the purchase, it is clear that IVIS is the successor-in-interest to Ivis Wood. To support its claims, IVIS submitted: (1) Copies of Certificate of Incorporation; (2) the Purchase and Sale Agreement between IVIS and Ivis Wood and; (3) a list of both companies' U.S. customers.

IVIS has requested that the Department initiate an expedited review pursuant to section 751(b) of the Act and 19 CFR § 351.221(c)(3)(iii). However, because it is the Department's practice to examine changes in management, supplier relationships, and customers in the home market (as well as the U.S. market), as part of its analysis in such a determination, and IVIS has not addressed these factors, it is necessary to request further information from IVIS prior to issuing preliminary results. Therefore, we are unable to conduct the changed circumstances review on an expedited basis.

After the initiation of the review, the Department will issue a questionnaire requesting additional factual information for the review in accordance with 19 CFR 351.221(b)(2). The Department will publish in the **Federal Register** a notice of preliminary results of changed circumstances review 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 in accordance with 19 CFR 351.221(b)(4) and 19 CFR 351.221(c)(3)(i). Pursuant to 19 CFR 351.221(b)(4)(ii), interested parties will have an opportunity to comment on the preliminary results of the review. The Department will issue its final results of review within 270 days after the date on which the changed circumstances review is initiated, in accordance with 19 CFR 351.216(e), and will publish these results in the **Federal Register**.

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

This notice is in accordance with section 751(b)(1) of the Act and 19 CFR 351.216 and 351.221 of the Department's regulations.

Dated: April 3, 2006.

**David M. Spooner**,  
Assistant Secretary for Import  
Administration.

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Billing Code: 3510-DS-S

## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-580-834)

#### **Stainless Steel Sheet and Strip in Coils from the Republic of Korea; Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review**

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

**SUMMARY:** In response to a request by Allegheny Ludlum Corporation, AK Steel Corporation, North American Stainless, United Auto Workers Local 3303, Zanesville Armco Independent Organization, Inc., and the United Steelworkers (collectively "the petitioners"), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on stainless steel sheet and strip in coils (SSSSC) from the Republic of Korea (Korea). This review covers five producers/exporters of the subject merchandise to the United States. This is the sixth period of review (POR), covering July 1, 2004, through June 30, 2005.

We have preliminarily determined that the sole company participating in this review, DaiYang Metal Co., Ltd. (DMC), has made sales below normal

value (NV). In addition, we preliminarily determine that adverse facts available (AFA) should be applied to the remaining four companies (Boorim Corporation (Boorim), Dae Kyung Corporation (Dae Kyung), Dine Trading Co., Ltd. (Dine), and Dosko Co., Ltd. (Dosko)) for the POR because they declined to participate in this administrative review. If these preliminary results are adopted in the final results of this review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries.

In addition, we have preliminarily determined to rescind the review with respect to the following companies because these companies had no shipments of subject merchandise during the POR: BNG Steel Co. (BNG), Hyundai Corporation (Hyundai), NIC International Co., Ltd. (NIC), Pohang Iron and Steel Co., Ltd. (POSCO), Samkyung Corporation (Samkyung), Sammi Corporation (Sammi), Samwon Precision Metals Co., Ltd. (Samwon), and Sun Woo Tech Company (Sun Woo).

We invite interested parties to comment on these preliminary results. Parties who wish to submit comments in this proceeding are requested to submit with each argument: (1) a statement of the issue; and (2) a brief summary of the argument.

**EFFECTIVE DATE:** April 10, 2006.

**FOR FURTHER INFORMATION CONTACT:** Irina Itkin or Brianne Riker, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone (202) 482-0656 or (202) 482-0629, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On July 1, 2005, the Department published in the **Federal Register** a notice of "Opportunity To Request Administrative Review" of the antidumping duty order on SSSSC from Korea (70 FR 38099).

In accordance with 19 CFR 351.213(b)(1), on July 29, 2005, the Department received a request from the petitioners to conduct an administrative review for the following 13 producers/exporters of SSSSC: BNG, Boorim, Dae Kyung, Dine, DMC, Dosko, Hyundai, NIC, POSCO, Samkyung, Sammi, Samwon, and Sun Woo.

In August 2005, the Department initiated an administrative review and issued questionnaires to each of these companies. See *Initiation of*

*Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 70 FR 51009 (Aug. 29, 2005).

In August, September, and October 2005, the following companies informed the Department that they had no shipments or entries of subject merchandise during the POR: BNG, Hyundai, NIC, POSCO, Samkyung, Sammi, Samwon, and Sun Woo. We reviewed CBP data and confirmed that there were no entries of subject merchandise from any of these companies. See "Partial Rescission of Review," below, for further discussion. Consequently, in accordance with 19 CFR 351.213(d)(3) and consistent with our practice, we are preliminarily rescinding our review for BNG, Hyundai, NIC, POSCO, Samkyung, Sammi, Samwon, and Sun Woo. However, we note that Boorim, Dae Kyung, Dine, and Dosko did not respond to the Department's questionnaire. For further discussion, see the "Application of Facts Available" section, below.

In October 2005, we received a response to sections A through C of the questionnaire (*i.e.*, the sections regarding sales to the home market and the United States) and section D of the questionnaire (*i.e.*, the section regarding cost of production (COP) and constructed value (CV)) from DMC.

In December 2005 and January 2006, we issued supplemental questionnaires to DMC. We received responses to these questionnaires in February 2006. In March 2006, we issued an additional supplemental questionnaire to DMC; we received DMC's response to this questionnaire on March 15, 2006.

##### **Scope of the Order**

The products covered are certain stainless steel sheet and strip in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product in coils that is greater than 9.5 millimeters in width and less than 4.75 millimeters in thickness, and that is annealed or otherwise heat treated and pickled or otherwise descaled. The subject sheet and strip may also be further processed (*e.g.*, cold-rolled, polished, aluminized, coated, etc.) provided that it maintains the specific dimensions of sheet and strip following such processing.

The merchandise subject to this order is classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7219.13.0031, 7219.13.0051, 7219.13.0071,