

within five days of the date of publication of this notice. Any interested party may request a hearing within 30 days of the date of publication of this notice. See 19 CFR 351.310. Interested parties who wish to request a hearing or to participate in a hearing if a hearing is requested must submit a written request to the Assistant Secretary for Import Administration within 30 days of the date of publication of this notice. Requests should contain the following: (1) the party's name, address, and telephone number; (2) the number of participants; (3) a list of issues to be discussed. See 19 CFR 351.310(c).

Issues raised in the hearing will be limited to those raised in the case and rebuttal briefs. See 19 CFR 351.310(c). Case briefs from interested parties may be submitted not later than 30 days after the date of publication of this notice of preliminary results of review. See 19 CFR 351.309(c)(1)(ii). Rebuttal briefs from interested parties, limited to the issues raised in the case briefs, may be submitted not later than five days after the time limit for filing the case briefs or comments. See 19 CFR 351.309(d)(1) and 19 CFR 351.310(c). If requested, any hearing will be held two days after the scheduled date for submission of rebuttal briefs. See 19 CFR 351.310(d). Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument a statement of the issue, a summary of the arguments not exceeding five pages, and a table of statutes, regulations, and cases cited. See 19 CFR 351.309(c)(2). The Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice. See section 751(a)(3)(A) of the Act.

#### Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(1), we have calculated, whenever possible, an exporter/importer (or customer)-specific assessment rate or value for merchandise subject to this review.

For the responsive companies which were not selected for individual review, we have calculated an assessment rate based on the weighted average of the weighted-average margins we calculated for the companies selected for individual review, excluding any which are *de minimis* or determined entirely on AFA.

The Department clarified its "automatic assessment" regulation on May 6, 2003. See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment of Antidumping Duties*). This clarification will apply to entries of subject merchandise during the POR produced by companies included in these preliminary results of review for which the reviewed companies did not know their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction. For a full discussion of this clarification, see *Assessment of Antidumping Duties*. We will issue liquidation instructions to CBP 15 days after publication of the final results of review.

#### Export-Price Sales

With respect to EP sales, for these preliminary results, we divided the total dumping margins (calculated as the difference between normal value and EP) for each exporter's importer or customer by the total number of units the exporter sold to that importer or customer. We will direct CBP to assess the resulting per-unit dollar amount against each unit of merchandise in each of that importer's/customer's entries during the review period.

#### Constructed Export-Price Sales

For CEP sales, we divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. We will direct CBP to assess the resulting percentage margin against the entered customs values for the subject merchandise on each of that importer's entries during the review period. See 19 CFR 351.212(b).

#### Cash-Deposit Requirements

The following deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of polyethylene retail carrier bags from Thailand entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(1) of the Act: (1) the cash-deposit rates for the reviewed companies will be the rates established in the final results of this review except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash-deposit rate will be zero; (2) for previously reviewed or investigated

companies not listed above, the cash-deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair-value 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; (4) if neither the exporter nor the manufacturer has its own rate, the cash-deposit rate will be 2.80 percent, the "all others" rate for this proceeding. These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importer

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

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

Dated: July 2, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-351-826]

#### **Certain Small Diameter Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Brazil; Preliminary Results of Antidumping Duty Administrative Review**

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

**SUMMARY:** In response to requests from V&M do Brasil, S.A. (VMB), the respondent, and United States Steel Corporation (U.S. Steel), the petitioner, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain small diameter seamless carbon and alloy steel standard, line and pressure pipe (seamless pipe) from Brazil. This

administrative review covers imports of subject merchandise from VMB. The period of review is August 1, 2005, through July 16, 2006.

We preliminarily determine that sales of seamless pipe by VMB have not been made at less than normal value (NV). If these preliminary results are adopted in the final results of this administrative review, we will instruct U.S. Customs and Border Protection (CBP) to liquidate appropriate entries without regard to antidumping duties. Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding are requested to submit: 1) a statement of the issues, 2) a brief summary of the argument, and 3) a table of authorities.

**EFFECTIVE DATE:** July 11, 2007.

**FOR FURTHER INFORMATION CONTACT:**

Dena Crossland or Stephen Bailey, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3362 or (202) 482-0193, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On August 3, 1995, the Department published the antidumping duty order on seamless pipe from Brazil. See *Notice of Antidumping Duty Order and Amended Final Determination: Certain Small Diameter Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Brazil*, 60 FR 39707 (August 3, 1995). On August 1, 2006, the Department published the opportunity to request administrative review of, inter alia, seamless pipe from Brazil for the period August 1, 2005, through July 31, 2006. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 43441 (August 1, 2006).

In accordance with section 351.213(b)(1) of the Department's regulations, on August 31, 2006, the respondent VMB and the petitioner U.S. Steel requested that we conduct an administrative review of VMB's sales of seamless pipe. On September 29, 2006, the Department published in the **Federal Register** a notice of initiation of this antidumping duty administrative review covering the period August 1, 2005, through July 31, 2006. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 71 FR 57465 (September 29, 2006).

On October 10, 2006, the Department issued its antidumping duty

questionnaire to VMB. VMB submitted its response to section A of the questionnaire (section A response) on November 6, 2006, its responses to sections B and C (section B response and section C response) on November 28, 2006, and its response to section D of the questionnaire (section D response) on December 5, 2007. The Department issued a supplemental questionnaire for all four responses on January 25, 2007, and received VMB's response on February 20, 2007 (first supplemental questionnaire response).<sup>1</sup> On April 18, 2007, the Department issued a second supplemental questionnaire to VMB pertaining to VMB's February 20, 2007, supplemental response for sections A through D, and received VMB's response on May 10, 2007. On May 25, 2007, the Department issued a third supplemental questionnaire to VMB pertaining to VMB's May 10, 2007, supplemental response for section D, and received VMB's response on June 8, 2007.

On May 2, 2007, the International Trade Commission determined revocation of the antidumping duty orders on seamless pipe from Argentina and Brazil would not likely lead to continuation or recurrence of material injury to an industry in the United States. See *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Argentina, Brazil, and Germany*, 72 FR 26153 (May 8, 2007), and *ITC Publication 3918* (May 2007), Investigation No. 731-TA-707-709 (Second Review). Thus, the Department revoked the antidumping duty orders on seamless line pipe from Argentina and Brazil, pursuant to sections 751(c) and 751(d) of the Act. See *Revocation Pursuant to Second Five-Year ("Sunset") Reviews of Antidumping Duty Orders: Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Argentina and Brazil*, 72 FR 28027 (May 18, 2007) (*Revocation of Seamless Pipe from Argentina and Brazil*). The Department stated in the *Revocation of Seamless Pipe from Argentina and Brazil* that it will complete any pending administrative reviews of these orders and will conduct administrative reviews of subject merchandise entered prior to the effective date of revocation in response to appropriately filed requests for review. Pursuant to section 751(d)(2) of the Act and 19 CFR 351.222(i)(2)(i), the

<sup>1</sup> VMB provided a quantity and value reconciliation, as required under section A of the Department's antidumping question, in its first supplemental questionnaire response, dated February 20, 2007.

effective date of revocation is July 16, 2006. As a result, the Department is completing the instant review of seamless pipe from Brazil. Accordingly, the period of review for this proceeding is from August 1, 2005, to July 16, 2006.

**Period of Review**

The period of review (POR) is August 1, 2005, through July 16, 2006.

**Scope of the Antidumping Duty Review**

The products covered by this antidumping duty review are seamless pipes produced to the ASTM A-335, ASTM A-106, ASTM A-53 and API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of this review also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters below, regardless of specification.

For purposes of this review, seamless pipes are seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, not more than 114.3 mm (4.5 inches) in outside diameter, regardless of wall thickness, manufacturing process (hot-finished or cold-drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish. These pipes are commonly known as standard pipe, line pipe or pressure pipe, depending upon the application. They may also be used in structural applications. Pipes produced in non-standard wall thickness are commonly referred to as tubes.

The seamless pipes subject to this antidumping duty review are currently classifiable under subheadings 7304.19.10.20, 7304.19.50.20, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the Harmonized Tariff Schedule of the United States (HTSUS). The following information further defines the scope of this order, which covers pipes meeting the physical parameters described above:

Specifications, Characteristics and Uses: Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas, and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the ASTM standard A-106 may be used in

temperatures of up to 1000 degrees Fahrenheit, at various American Society of Mechanical Engineers ("ASME") code stress levels. Alloy pipes made to ASTM standard A-335 must be used if temperatures and stress levels exceed those allowed for A-106 and the ASME codes. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard.

Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipelines. Seamless line pipes are produced to the API 5L specification.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53 and API 5L specifications. Such triple certification of pipes is common because all pipes meeting the stringent ASTM A-106 specification necessarily meet the API 5L and ASTM A-53 specifications. Pipes meeting the API 5L specification necessarily meet the ASTM A-53 specification. However, pipes meeting the A-53 or API 5L specifications do not necessarily meet the A-106 specification. To avoid maintaining separate production runs and separate inventories, manufacturers triple-certify the pipes. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple-certified pipes is in pressure piping systems by refineries, petrochemical plants and chemical plants. Other applications are in power generation plants (electrical-fossil fuel or nuclear), and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. A minor application of this product is for use as oil and gas distribution lines for commercial applications. These applications constitute the majority of the market for the subject seamless pipes. However, A-106 pipes may be used in some boiler applications.

The scope of this order includes all seamless pipe meeting the physical

parameters described above and produced to one of the specifications listed above, regardless of application, and whether or not also certified to a non-covered specification. Standard, line and pressure applications and the above-listed specifications are defining characteristics of the scope of this order. Therefore, seamless pipes meeting the physical description above, but not produced to the ASTM A-335, ASTM A-106, ASTM A-53, or API 5L standards shall be covered if used in a standard, line or pressure application.

For example, there are certain other ASTM specifications of pipe which, because of overlapping characteristics, could potentially be used in A-106 applications. These specifications generally include A-162, A-192, A-210, A-333, and A-524. When such pipes are used in a standard, line or pressure pipe application, such products are covered by the scope of this order.

Specifically excluded from this review are boiler tubing and mechanical tubing, if such products are not produced to ASTM A-335, ASTM A-106, ASTM A-53 or API 5L specifications and are not used in standard, line or pressure applications. In addition, finished and unfinished oil country tubular goods (OCTG) are excluded from the scope of this review, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in this scope when used in standard, line or pressure applications. Finally, also excluded from this review are redraw hollows for cold-drawing when used in the production of cold-drawn pipe or tube.

Excluded from this order are shipments of seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, not more than 114.3 mm (4.5 inches) in outside diameter, regardless of wall thickness or manufacturing process (hot-finished or cold-drawn) that 1) has been cut into lengths of six to 120 inches, 2) has had the inside bore ground to a smooth surface, 3) has had multiple layers of specially formulated corrosion resistant glass permanently baked on at temperatures of 1,440 to 1,700 degrees Fahrenheit in thicknesses from 0.032 to 0.085 inch (40 to 80 mils), and 4) has flanges or other forged stub ends welded on both ends of the pipe. The special corrosion resistant glass referred to in this definition may be glass containing by weight 1) 70 to 80 percent of an oxide of silicone, zirconium, titanium or cerium (Oxide Group RO<sub>2</sub>), 2) 10 to 15 percent of an oxide of sodium, potassium, or lithium (Oxide Group

RO), 3) from a trace amount to five percent of an oxide of either aluminum, cobalt, iron, vanadium, or boron (Oxide Group R<sub>2</sub>O<sub>3</sub>), or 4) from a trace amount to five percent of a fluorine compound in which fluorine replaces the oxygen in any one of the previously listed oxide groups. These glass-lined pressure pipes are commonly manufactured for use in glass-lined equipment systems for processing corrosive or reactive chemicals, including acrylates, alkanolamines, herbicides, pesticides, pharmaceuticals and solvents. The glass-lined pressure pipes excluded from this antidumping duty review are currently classifiable under subheadings 7304.39.0020, 7304.39.0024 and 7304.39.0028 of the HTSUS.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this order is dispositive.

#### Fair Value Comparisons

To determine whether VMB made sales of seamless pipe to the United States at less than fair value, we compared the constructed export price (CEP) to the NV, as described below. Specifically, in accordance with section 777A(d)(2) of the Tariff Act of 1930, as amended (the Act), we compared the CEP of individual U.S. transactions to monthly weighted-average NV.

#### Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by VMB covered by the descriptions in the "Scope of the Antidumping Duty Review" section of this notice to be foreign like products for the purpose of determining appropriate product comparisons to VMB's U.S. sales of seamless pipe.

We have relied on the following six criteria to match U.S. sales of the subject merchandise to sales in Brazil of the foreign like product: product specification, manufacturing process (hot finished or cold drawn), outside diameter, wall thickness, surface finish, and end finish.

Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics and reporting instructions listed in the Department's October 10, 2006, questionnaire.

#### Constructed Export Price

Section 772(b) of the Act defines CEP as the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by, or for the

account of, the producer or exporter of such merchandise, or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under sections 772(c) and (d).

In the instant review, VMB sold subject merchandise through an affiliated company, Vallourec & Mannesmann Tubes Corporation (V&M Corp.) of Houston, Texas. VMB reported all of its U.S. sales of seamless pipe as CEP transactions. After reviewing the evidence on the record of this review, we have preliminarily determined that VMB's transactions are classified properly as CEP sales because these sales occurred in the United States and were made through its U.S. affiliate to an unaffiliated buyer. Such a determination is consistent with section 772(b) of the Act and the U.S. Court of Appeals for the Federal Circuit's decision in *AK Steel Corp. et al. v. United States*, 226 F.3d 1361, 1374 (Fed. Cir. 2000) (*AK Steel*). In *AK Steel*, the Court of Appeals examined the definitions of EP and CEP, noting "the plain meaning of the language enacted by Congress in 1994, focuses on where the sale takes place and whether the foreign producer or exporter and the U.S. importer are affiliated, making these two factors dispositive of the choice between the two classifications." *AK Steel* at 1369. The court declared, "the critical differences between EP and CEP sales are whether the sale or transaction takes place inside or outside the United States and whether it is made by an affiliate," and noted the phrase "outside the United States" had been added to the 1994 statutory definition of EP. *AK Steel* at 1368–70. Thus, the classification of a sale as either EP or CEP depends upon where the contract for sale was concluded (*i.e.*, in or outside the United States) and whether the foreign producer or exporter is affiliated with the U.S. importer.

For these CEP sales transactions, we calculated price in conformity with section 772(b) of the Act. We based CEP on the packed, delivered, duty-paid prices to an unaffiliated purchaser in the United States. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act. These movement expenses included foreign inland freight, foreign inland insurance, foreign brokerage and handling, international freight, marine insurance, U.S. brokerage and handling and U.S. customs duties. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States,

including imputed credit expenses and indirect selling expenses. We also made an adjustment for profit in accordance with section 772(d)(3) of the Act.

#### Normal Value

##### A. Home Market Viability

To determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared VMB's volume of home market sales of seamless pipe to the volume of U.S. sales of seamless pipe, in accordance with section 773(a)(1)(B) of the Act. Because VMB's aggregate volume of home market sales of seamless pipe was greater than five percent of its aggregate volume of U.S. sales of seamless pipe, we determined the home market was viable. See section A response at Exhibit 1.

##### B. Cost of Production Analysis

In the most recently completed segment, the Department determined that VMB made sales in the home market at prices below its cost of production (COP) and, therefore, excluded such sales from its calculation of NV. See *Certain Small Diameter Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Brazil: Notice of Final Results of Antidumping Duty Administrative Review*, 71 FR 56473 (September 27, 2006). The Department's affirmative findings of sales-below-cost in the preliminary results of the prior period review did not change in the final results. Therefore, the Department has reasonable grounds to believe or suspect, pursuant to section 773(b)(2)(A)(ii) of the Act, that VMB made sales in the home market at prices below the COP for this POR. As a result, in accordance with section 773(b)(1) of the Act, we examined whether VMB's sales in the home market were made at prices below the COP.

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP for each model based on the sum of VMB's material and fabrication costs for the foreign like product, plus amounts for selling expenses, general and administrative expenses (G&A), interest expenses and packing costs. The Department relied on the COP data reported by VMB, except as noted below:

1. We recalculated VMB's financial expense ratio (INTEX) calculation by excluding the offset for long-term interest income.

For further details regarding this adjustment, see the Department's "Cost of Production and Constructed Value

Calculation Adjustments for the Preliminary Results - V&M do Brasil, S.A." (COP Memorandum), on file in the Department's Central Records Unit (CRU) located in Room B-099 of the main Department of Commerce Building, 14th Street and Constitution Avenue, NW, Washington, DC 20230, dated July 2, 2007.

We compared the weighted-average COP figures to the home market sales prices of the foreign like product, as required under section 773(b) of the Act, to determine whether these sales had been made at prices below COP. On a product-specific basis, we compared the COP to home market prices net of any applicable billing adjustments, indirect taxes (ICMS, IPI, COFINS and PIS), and any applicable movement charges.

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 in substantial quantities within an extended period of time, and whether such sales were made at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade. Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of VMB's home market sales of a given model were at prices below the COP, we did not disregard any below-cost sales of that model because we determined that the below-cost sales were not made within an extended period of time in "substantial quantities." Where 20 percent or more of VMB's home market sales of a given model were at prices less than COP, we disregarded the below-cost sales because: (1) they were made within an extended period of time in "substantial quantities," in accordance with sections 773(b)(2)(B) and (C) of the Act, and (2) based on our comparison of prices to the weighted-average COPs for the POR, they were at prices which would not permit the recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act.

Our cost test for VMB revealed that for home market sales of certain models, less than 20 percent of the sales of those models were at prices below the COP. We therefore retained all such sales in our analysis and used them as the basis for determining NV. Our cost test also indicated that for certain models, more than 20 percent of the home market sales of those models were sold at prices below COP within an extended period of time and were at prices which would not permit the recovery of all costs within a reasonable period of time.

Thus, in accordance with section 773(b)(1) of the Act, we excluded these below-cost sales from our analysis and used the remaining above-cost sales as the basis for determining NV.

### C. Price-to-Price Comparisons

We matched all U.S. sales to NV. We calculated NV based on prices to unaffiliated customers. We adjusted gross unit price for billing adjustments, interest revenue, indirect taxes, and the per-unit value of any post-transaction complementary invoices (or credit notes) that were issued to adjust for any errors in the originating invoice. We made deductions, where appropriate, for foreign inland freight, insurance and warehousing, pursuant to section 773(a)(6)(B) of the Act. In addition, we made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411, as well as for differences in circumstances of sale (COS), in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. We made COS adjustments for imputed credit expenses and commissions. Finally, we deducted home market packing costs and added U.S. packing costs in accordance with sections 773(a)(6)(A) and (B) of the Act.<sup>2</sup>

### Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determined NV based on sales in the comparison market at the same level of trade (LOT) as the CEP transaction. The NV LOT is that of the starting-price sales in the comparison market. For CEP, it is the level of the constructed sale from the exporter to the importer. To determine whether NV sales are at a different LOT than CEP sales, we examine different selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison market sales are at a different LOT, and the difference affects price comparability as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison market sales at the LOT of the export transaction, where possible, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally,

for CEP sales for which we are unable to quantify a LOT adjustment, 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 levels between NV and CEP sales affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). In the present review, VMB claimed that there was no LOT in the home market comparable to the LOT of the CEP sales, and requested a CEP offset. See section B response at VI-41 through VI-43.

VMB reported two channels of distribution in the home market: one to unaffiliated distributors and one to end-users. See section A response at Exhibit 10. We examined the selling activities reported for each channel of distribution and organized the reported selling activities into the following four selling functions: 1) sales process and marketing support, 2) freight and delivery, 3) inventory maintenance and warehousing, and 4) warranty and technical services. We examined the reported selling functions and found that VMB's home market selling functions for all customers include sales forecasting, planning, order processing, general selling functions performed by VMB sales personnel, technical assistance, delivery of the merchandise, and provision for warranties. VMB also claimed packing as a selling function performed for all customers. *J* first supplemental questionnaire response at Exhibit 1. However, we make a separate COS adjustment for packing and do not consider this to be a selling function relevant to LOT.

VMB further reported several selling functions unique to each channel of distribution: personnel training, sales promotion, distributor/dealer training, sales/marketing support, and market research are selling functions performed only in sales to distributors. In contrast, advertising and after-sales services are provided solely to end-users. See first supplemental questionnaire response at Exhibit 1. VMB also paid commissions on sales to some end-users. In addition, VMB reported the selling function of inventory maintenance with regard to sales to one end-user customer, for which a small percentage of VMB's sales are transferred to unaffiliated warehouses from which this customer regularly extracts merchandise on a just-in-time basis. See section A Response at VI-18; see also section B response at VI-28. Based upon the above analysis, we preliminarily conclude that the selling functions for the reported home market channels of distribution are sufficiently different to consider them as two LOTs.

For CEP sales, we examined the selling activities related to each of the selling functions between VMB and its U.S. affiliate, V&M Corp. VMB reported that all of its sales to the United States are CEP sales made through V&M Corp., *i.e.*, through one channel of distribution, and claimed that there is only one LOT. We examined VMB's selling functions (&, sales forecasting, order processing, and freight and delivery) for sales to V&M Corp. and found that these selling functions are performed regardless of whether shipments are going to V&M Corp. or directly to the unaffiliated customer. See first supplemental questionnaire response at Exhibit 1. Therefore, we preliminarily determine that VMB's U.S. sales constitute a single LOT.

We then compared the selling functions VMB provided in the home market LOTs with the selling functions provided for the U.S. LOT. While VMB provides a comparable level of assistance for freight and delivery in both the home and U.S. markets, VMB provides significantly more assistance for marketing support, and inventory maintenance and warehousing for the home market than the U.S. market. Additionally, VMB provides more technical services for the home market than the U.S. market. On this basis, we determined that the HM LOTs are not similar to VMB's U.S. LOT.

Based upon the above analysis, we preliminarily determine that there is no LOT in the home market comparable to the CEP LOT, and it is, therefore, not possible to determine whether the difference in LOT affects price comparability. Consequently, we examined whether a CEP offset may be appropriate pursuant to section 351.412(f) of the Department's regulations. We find that the selling functions VMB performs for sales to its U.S. affiliate are fewer and less complex than the selling functions VMB performs for either LOT in the home market. Compared to U.S. sales, the chain of distribution in the home market is at a level much more advanced. For example, many sales to distributors go through unaffiliated warehouses and VMB provides after-sales services to end-users (*e.g.*, surveys and repairs). In contrast, VMB's selling functions for U.S. sales end with delivery at the port of entry.

Accordingly, because the data available do not provide an appropriate basis for making a LOT adjustment, but the LOT in the home market is at a more advanced stage of distribution than the LOT of the CEP transactions, we preliminarily determine that a CEP offset adjustment is appropriate, in

<sup>2</sup> See the Analysis Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Certain Small Diameter Seamless Carbon and Alloy Steel Standard Line and Pressure Pipe from Brazil, dated July 2, 2007, for further discussion of date of sale and other details on the calculation of the antidumping duty weighted-average margin. A public version of the memorandum is available in the Department's CRU.

accordance with section 773(a)(7)(B) of the Act.

#### Currency Conversion

We made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales, as certified by Dow Jones Reuters Business Interactive LLC (trading as Factiva).

#### Preliminary Results of Review

As a result of our review, we preliminarily determine the weighted-average dumping margin for the period August 1, 2005, through July 16, 2006, to be as follows:

Manufacturer / Exporter	Margin (percent)
V&M do Brasil, S.A. ....	0.00

The Department will disclose calculations performed in connection with these preliminary results of review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. Rebuttal briefs and rebuttals to written comments, limited to issues raised in the case briefs and comments, may be filed no later than 35 days after the date of publication of this notice. Parties who submit argument in these proceedings are requested to submit with the argument: 1) a statement of the issue, 2) a brief summary of the argument, and 3) a table of authorities. An interested party may request a hearing within 30 days of publication. See 19 CFR 351.310(c). Any hearing, if requested, will be held 2 days after the scheduled date for the submission of rebuttal briefs. See 19 CFR 351.310(d). The Department will issue the final results of these preliminary results, including the results of our analysis of the issues raised in any such written comments or at a hearing, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Upon completion of the administrative review, the Department shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries, in accordance with 19 CFR 351.212. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of this review.

We will instruct CBP 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.*, at or above 0.50 percent). Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is de minimis (*i.e.*, less than 0.50 percent). See 19 CFR 351.106(c)(1). The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review.

The Department clarified its "automatic assessment" regulation on May 6, 2003. See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*). This clarification will apply to entries of subject merchandise during the POR produced by companies included in these final results of review for which the reviewed companies did not know that the merchandise they sold to the intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the "All Others" rate if there is no rate for the intermediary involved in the transaction. See *Assessment Policy Notice* for a full discussion of this clarification.

#### Cash Deposit Requirements

The Department notified CBP to discontinue suspension of liquidation and collection of cash deposits on entries of the subject merchandise entered or withdrawn from warehouse on or after July 16, 2006, the effective date of revocation of the antidumping duty order.

#### 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 double antidumping duties.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 2, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E7-13383 Filed 7-10-07; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-908]

#### Postponement of Preliminary Determination of Antidumping Duty Investigation: Sodium Hexametaphosphate from the People's Republic of China

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

**EFFECTIVE DATE:** July 11, 2007.

**FOR FURTHER INFORMATION CONTACT:** Erin Begnal or Kristina Horgan, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, DC 20230; telephone: (202) 482-1442 or (202) 482-8173, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Postponement of Preliminary Determination

On February 28, 2007, the Department of Commerce ("Department") initiated the antidumping duty investigation of sodium hexametaphosphate from the People's Republic of China. See *Initiation of Antidumping Duty Investigation: Sodium Hexametaphosphate From the People's Republic of China*, 72 FR 9926 (March 6, 2007) ("*Initiation Notice*"); see also *Notice of Correction of Initiation of Antidumping Duty Investigation: Sodium Hexametaphosphate from the People's Republic of China*, 72 FR 11325 (March 13, 2007). The notice of initiation stated that the Department would make its preliminary determination for this antidumping duty investigation no later than 140 days after the date of issuance of the initiation.

On June 25, 2007, ICL Performance Products, LP and Innophos, Inc. ("Petitioners") made a timely request pursuant to 19 CFR 351.205(e) and section 733(c)(1)(A) of the Tariff Act of 1930, as amended ("the Act") for a postponement of the preliminary determination. Petitioners requested postponement of the preliminary determination to allow the Department additional time in which to review the complex questionnaire responses and