

7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.20.10.30, 7306.20.10.90, 7306.20.20.00, 7306.20.30.00, 7306.20.40.00, 7306.20.60.10, 7306.20.60.50, 7306.20.80.10, and 7306.20.80.50.

As a result of recent changes to the HTSUS, effective February 2, 2007, the subject merchandise is also classifiable under the following additional HTSUS item numbers: 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The HTSUS sub-headings are provided for convenience and customs purposes only. The written description of the scope of the order remains dispositive.

#### Final Results and Rescission of Administrative Review

As stated in the *Preliminary Results*, the Department determined that all four companies had no reviewable sales of subject merchandise during the POR. Although our review of data from U.S. Customs and Border Protection (CBP) showed that there were entries during the POR of merchandise produced by these companies, based on our analysis of the CBP information and documentation submitted by respondent companies, we determined that those entries were either made by unaffiliated resellers without the knowledge of the respondent companies, or were merchandise out of the scope of antidumping duty order. As such, they are not subject to the administrative review. See memorandum from Jun Jack Zhao, Case Analyst, to Barbara E. Tillman, Director, AD/CVD Operations, Office 6, *Analysis Memorandum regarding the Administrative Review of the Antidumping Duty Order on Oil Country Tubular Goods from Japan (A-588-835)*, dated concurrently with the *Preliminary Results*. Because we did not receive comments from any of the interested parties on the *Preliminary Results*, we do not have any reason to reconsider our preliminary decision. Therefore, consistent with the Department's preliminary results of this review, and in accordance with 19 CFR § 351.213(d)(3), we are rescinding the

review with respect to all four companies.

#### Duty Assessment

The Department will determine, and CBP shall assess, antidumping duties on all appropriate entries, pursuant to section 751(a) of the Tariff Act of 1930, as amended (the Act) and 19 CFR § 351.212(b). We will direct CBP to liquidate any entries of subject merchandise manufactured by JFE, Nippon, NKK, SMI, and entered or withdrawn from warehouse for consumption during the POR, at the "all others" rate from the investigation, 44.20 percent, in accordance with the Department's clarification of its "automatic assessment" regulation; the sales of any such entries were made by intermediary companies (e.g., resellers) that do not have their own rates because they were not covered in this review, a prior review, or the less than fair value (LTFV) investigation. See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003). The Department intends to issue appropriate assessment instructions directly to CBP 15 days after the date of publication of these final results.

#### Cash Deposit Requirements

On May 31, 2007, the U.S. International Trade Commission determined that revoking the existing antidumping duty orders on imports of OCTG from Argentina, Italy, Japan, Korea and Mexico would be unlikely to lead to continuation or recurrence of material injury. As a result, the Department revoked these antidumping duty orders. See *Oil Country Tubular Goods from Argentina, Italy, Japan, Korea, and Mexico; Revocation of Antidumping Duty Orders Pursuant to Second Five-year (Sunset) Reviews*, 72 FR 34442 (June 22, 2007). The effective date of the revocation of this order was July 25, 2006. Consequently, the Department has instructed CBP to discontinue the suspension of liquidation of all entries of subject merchandise entered on or after July 25, 2006. Therefore, no further cash deposits of estimated antidumping duties will be required, and antidumping duties will not be assessed on entries after July 24, 2006.

#### 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 double antidumping duties.

#### Administrative Protective Orders

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. 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 that is subject to sanction.

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

Dated: July 27, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

A-583-831

#### Stainless Steel Sheet and Strip in Coils from Taiwan: Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review

**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 stainless steel sheet and strip in coils (SSSSC) from Taiwan with respect to three companies.<sup>1</sup> There is only one respondent participating in this review, Chia Far Industrial Factory Co., Ltd. (Chia Far). The period of review (POR) is July 1, 2005, through June 30, 2006.

We preliminarily determine that sales made by Chia Far have been made below normal value (NV). We have preliminarily assigned a margin based on adverse facts available (AFA) to the remaining two respondents, PFP Taiwan Co., Ltd. (PFP Taiwan) and Yieh Corp., because these companies were not

<sup>1</sup> This figure does not include those companies for which the Department is preliminarily rescinding the administrative review.

responsive to the Department's requests for information. If the preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries. Interested parties are invited to comment on the preliminary results.

**EFFECTIVE DATE:** August 3, 2007.

**FOR FURTHER INFORMATION CONTACT:**

Elizabeth Eastwood, AD/CVD Operations, Office 2, Import Administration—Room B099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3874.

**SUPPLEMENTARY INFORMATION:**

**Background**

On July 27, 1999, the Department published in the **Federal Register** the antidumping duty order on SSSSC from Taiwan. See *Notice of Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From United Kingdom, Taiwan, and South Korea*, 64 FR 40555 (July 27, 1999) (SSSSC Order). On July 3, 2006, the Department published in the **Federal Register** a notice of opportunity to request administrative review of the antidumping duty order on SSSSC from Taiwan. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 71 FR 37890 (July 3, 2006). On July 31, 2006, the petitioners<sup>2</sup> submitted a timely letter requesting that the Department conduct an administrative review of the sales of SSSSC made during the POR by Chain Chon Industrial Co., Ltd., Chia Far, Chien Shing Stainless Co., China Steel Corporation, Emerdex Stainless Flat-Rolled Products, Inc., Emerdex Stainless Steel, Inc., Emerdex Group., Goang Jau Shing Enterprise Co., Ltd., PFP Taiwan, Ta Chen Stainless Pipe Co., Ltd., Tang Eng Iron Works, Yieh Loong Enterprise Co., Ltd. (also known as Chung Hung Steel Co., Ltd.), Yieh Trading Corp. (also known as Yieh Corp.), Yieh Mau Corp., and Yieh United Steel Corporation, pursuant to section 751(a) of the Tariff Act of 1930, as amended (the Act), and in accordance with 19 CFR 351.213(b)(1). On August 30, 2006, the Department published a notice of initiation of administrative review covering each of these 15 companies.

See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 71 FR 51573 (Aug. 30, 2006) (*Notice of Initiation*).

In August 2006, the Department issued its antidumping questionnaire to all of the companies for which a review was requested except the Emerdex companies (for further discussion of the Emerdex companies, see the section of this notice entitled "Emerdex Companies," below). In August and September 2006, we received submissions from 10 companies indicating that they made no shipments of subject merchandise during the POR.

Because we did not receive a response to the antidumping duty questionnaire from PFP Taiwan, on September 7, 2006, we re-issued the questionnaire to this company and requested that it submit a full response. Because PFP Taiwan also did not respond to the second questionnaire, we are assigning it a preliminary dumping margin based on AFA. For further discussion, see the "Application of Facts Available" section of this notice, below.

On September 15, 2006, we received a response to section A of the questionnaire (*i.e.*, the section covering general information) from Chia Far and on October 10, 2006, we received Chia Far's response to sections B, C, and D of the questionnaire (*i.e.*, the sections covering home market sales, U.S. sales, and cost of production (COP)/constructed value (CV), respectively).

We issued a supplemental questionnaire covering sections A through C to Chia Far on December 22, 2006. Chia Far responded to this questionnaire on January 16, 2007.

On January 29, 2007, we obtained information from CBP indicating that Yieh Corp., one of the companies claiming to have no shipments of SSSSC to the United States during the POR, did in fact make U.S. shipments of subject merchandise. Consequently, on February 1, 2007, we requested that Yieh Corp. explain why it did not report the entries in question. On March 5, 2007, Yieh Corp. stated that its failure to do so was an oversight.

On March 26, 2007, the Department postponed the preliminary results in this review until no later than July 31, 2007. See *Stainless Steel Sheet and Strip in Coils from Taiwan; Notice of Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Review*, 72 FR 14077 (Mar. 26, 2007).

On March 30, 2007, we issued Chia Far a second supplemental questionnaire covering sections A through C, as well as a supplemental

questionnaire covering section D. Chia Far responded to these questionnaires on April 20, 2007, and April 27, 2007, respectively.

On May 22, 2007, we issued a second supplemental section D questionnaire to Chia Far.

On May 24, 2007, we re-issued the antidumping duty questionnaire to Yieh Corp. and requested that it submit a full response. Because Yieh Corp. did not respond to this questionnaire, we are assigning it a preliminary dumping margin based on AFA. For further discussion, see the "Application of Facts Available" section of this notice, below.

On June 7, 2007, we received Chia Far's response to the Department's second supplemental section D questionnaire.

In June and July 2007, we conducted a verification of the sales and cost data reported by Chia Far. We have incorporated our sales verification findings in these preliminary results. However, because the cost verification was conducted too close to the preliminary results deadline, we were unable to take any findings from the cost verification into account here. We will consider these findings in our final results.

**Period of Review**

The POR is July 1, 2005, through June 30, 2006.

**Scope of the Order**

The products covered by the order 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 mm in width and less than 4.75 mm 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 the order is classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7219.13.00.31, 7219.13.00.51, 7219.13.00.71, 7219.13.00.81, 7219.14.00.30, 7219.14.00.65, 7219.14.00.90, 7219.32.00.05, 7219.32.00.20, 7219.32.00.25, 7219.32.00.35, 7219.32.00.36, 7219.32.00.38, 7219.32.00.42, 7219.32.00.44, 7219.33.00.05, 7219.33.00.20,

<sup>2</sup> The petitioners are Allegheny Ludlum Corporation, United Auto Workers Local 3303 (formerly Butler Armco Independent Union), United Steelworkers of America, AFL-CIO/CLC, and Zanesville Armco Independent Organization.

7219.33.00.25, 7219.33.00.35, 7219.33.00.36, 7219.33.00.38, 7219.33.00.42, 7219.33.00.44, 7219.34.00.05, 7219.34.00.20, 7219.34.00.25, 7219.34.00.30, 7219.34.00.35, 7219.35.00.05, 7219.35.00.15, 7219.35.00.30, 7219.35.00.35, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.12.10.00, 7220.12.50.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.20.70.05, 7220.20.70.10, 7220.20.70.15, 7220.20.70.60, 7220.20.70.80, 7220.20.80.00, 7220.20.90.30, 7220.20.90.60, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise under the order is dispositive.

Excluded from the scope of the order are the following: 1) sheet and strip that is not annealed or otherwise heat treated and pickled or otherwise descaled, 2) sheet and strip that is cut to length, 3) plate (*i.e.*, flat-rolled stainless steel products of a thickness of 4.75 mm or more), 4) flat wire (*i.e.*, cold-rolled sections, with a prepared edge, rectangular in shape, of a width of not more than 9.5 mm), and 5) razor blade steel. Razor blade steel is a flat-rolled product of stainless steel, not further worked than cold-rolled (cold-reduced), in coils, of a width of not more than 23 mm and a thickness of 0.266 mm or less, containing, by weight, 12.5 to 14.5 percent chromium, and certified at the time of entry to be used in the manufacture of razor blades. See Chapter 72 of the HTSUS, "Additional U.S. Note" 1(d).

Also excluded from the scope of the order are certain specialty stainless steel products described below. Flapper valve steel is defined as stainless steel strip in coils containing, by weight, between 0.37 and 0.43 percent carbon, between 1.15 and 1.35 percent molybdenum, and between 0.20 and 0.80 percent manganese. This steel also contains, by weight, phosphorus of 0.025 percent or less, silicon of between 0.20 and 0.50 percent, and sulfur of 0.020 percent or less. The product is manufactured by means of vacuum arc remelting, with inclusion controls for sulphide of no more than 0.04 percent and for oxide of no more than 0.05 percent. Flapper valve steel has a tensile strength of between 210 and 300 ksi, yield strength of between 170 and 270 ksi, plus or

minus 8 ksi, and a hardness (Hv) of between 460 and 590. Flapper valve steel is most commonly used to produce specialty flapper valves in compressors.

Also excluded is a product referred to as suspension foil, a specialty steel product used in the manufacture of suspension assemblies for computer disk drives. Suspension foil is described as 302/304 grade or 202 grade stainless steel of a thickness between 14 and 127 microns, with a thickness tolerance of plus-or-minus 2.01 microns, and surface glossiness of 200 to 700 percent Gs. Suspension foil must be supplied in coil widths of not more than 407 mm, and with a mass of 225 kg or less. Roll marks may only be visible on one side, with no scratches of measurable depth. The material must exhibit residual stresses of 2 mm maximum deflection, and flatness of 1.6 mm over 685 mm length.

Certain stainless steel foil for automotive catalytic converters is also excluded from the scope of the order. This stainless steel strip in coils is a specialty foil with a thickness of between 20 and 110 microns used to produce a metallic substrate with a honeycomb structure for use in automotive catalytic converters. The steel contains, by weight, carbon of no more than 0.030 percent, silicon of no more than 1.0 percent, manganese of no more than 1.0 percent, chromium of between 19 and 22 percent, aluminum of no less than 5.0 percent, phosphorus of no more than 0.045 percent, sulfur of no more than 0.03 percent, lanthanum of less than 0.002 or greater than 0.05 percent, and total rare earth elements of more than 0.06 percent, with the balance iron.

Permanent magnet iron-chromium-cobalt alloy stainless strip is also excluded from the scope of the order. This ductile stainless steel strip contains, by weight, 26 to 30 percent chromium, and 7 to 10 percent cobalt, with the remainder of iron, in widths 228.6 mm or less, and a thickness between 0.127 and 1.270 mm. It exhibits magnetic remanence between 9,000 and 12,000 gauss, and a coercivity of between 50 and 300 oersteds. This product is most commonly used in electronic sensors and is currently available under proprietary trade names such as Arnokrome III.<sup>3</sup>

Certain electrical resistance alloy steel is also excluded from the scope of the order. This product is defined as a non-magnetic stainless steel manufactured to American Society of Testing and Materials (ASTM) specification B344

and containing, by weight, 36 percent nickel, 18 percent chromium, and 46 percent iron, and is most notable for its resistance to high temperature corrosion. It has a melting point of 1390 degrees Celsius and displays a creep rupture limit of 4 kilograms per square millimeter at 1000 degrees Celsius. This steel is most commonly used in the production of heating ribbons for circuit breakers and industrial furnaces, and in rheostats for railway locomotives. The product is currently available under proprietary trade names such as Gilphy 36.<sup>4</sup>

Certain martensitic precipitation-hardenable stainless steel is also excluded from the scope of the order. This high-strength, ductile stainless steel product is designated under the Unified Numbering System (UNS) as S45500-grade steel, and contains, by weight, 11 to 13 percent chromium, and 7 to 10 percent nickel. Carbon, manganese, silicon and molybdenum each comprise, by weight, 0.05 percent or less, with phosphorus and sulfur each comprising, by weight, 0.03 percent or less. This steel has copper, niobium, and titanium added to achieve aging, and will exhibit yield strengths as high as 1700 Mpa and ultimate tensile strengths as high as 1750 Mpa after aging, with elongation percentages of 3 percent or less in 50 mm. It is generally provided in thicknesses between 0.635 and 0.787 mm, and in widths of 25.4 mm. This product is most commonly used in the manufacture of television tubes and is currently available under proprietary trade names such as Durphynox 17.<sup>5</sup>

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of the order. These include stainless steel strip in coils used in the production of textile cutting tools (*e.g.*, carpet knives).<sup>6</sup> This steel is similar to AISI grade 420 but containing, by weight, 0.5 to 0.7 percent of molybdenum. The steel also contains, by weight, carbon of between 1.0 and 1.1 percent, sulfur of 0.020 percent or less, and includes between 0.20 and 0.30 percent copper and between 0.20 and 0.50 percent cobalt. This steel is sold under proprietary names such as GIN4 Mo. The second excluded stainless steel strip in coils is similar to AISI 420-J2 and contains, by weight, carbon of between 0.62 and 0.70 percent, silicon of between 0.20 and

<sup>4</sup> Gilphy 36 is a trademark of Imphy, S.A.

<sup>5</sup> Durphynox 17 is a trademark of Imphy, S.A.

<sup>6</sup> This list of uses is illustrated and provided for descriptive purposes only.

<sup>3</sup> Arnokrome III is a trademark of the Arnold Engineering Company.

0.50 percent, manganese of between 0.45 and 0.80 percent, phosphorus of no more than 0.025 percent and sulfur of no more than 0.020 percent. This steel has a carbide density on average of 100 carbide particles per 100 square microns. An example of this product is GIN5 steel. The third specialty steel has a chemical composition similar to AISI 420 F, with carbon of between 0.37 and 0.43 percent, molybdenum of between 1.15 and 1.35 percent, but lower manganese of between 0.20 and 0.80 percent, phosphorus of no more than 0.025 percent, silicon of between 0.20 and 0.50 percent, and sulfur of no more than 0.020 percent. This product is supplied with a hardness of more than Hv 500 guaranteed after customer processing, and is supplied as, for example, GIN6.<sup>7</sup>

#### Partial Preliminary Rescission of Review

As noted in the "Background" section, above, 10 respondents certified to the Department that they had no shipments/entries of subject merchandise into the United States during the POR. These companies are: 1) Chain Chon Industrial Co., Ltd.; 2) Chien Shing Stainless Co.; 3) China Steel Corporation; 4) Goang Jau Shing Enterprise Co., Ltd.; 5) Ta Chen Stainless Pipe Co., Ltd.; 6) Tang Eng Iron Works; 7) Yieh Loong Enterprise Co. Ltd.; 8) Yieh Mau Corp.; 9) Yieh Corp.; and 10) Yieh United Steel Corporation. The Department subsequently obtained CBP information consistent with the no-shipment claims made by each of these companies except Yieh Corp. See the June 19, 2007, Memorandum to The File from Jill Pollack, Senior Analyst, entitled, "CBP List of Exporters" (the "CBP Memo"). Because the evidence on the record does not indicate that these nine companies exported subject merchandise to the United States during the POR, we preliminarily determine it is appropriate to rescind the review for these respondents. See *Chia Far Industrial Factory Co., Ltd. v. United States*, 343 F. Supp 2d 1344, 1374 (2004). Therefore, in accordance with 19 CFR 351.213(d)(3) and consistent with the Department's practice, we are preliminarily rescinding our review with respect to Chain Chon Industrial Co., Ltd., Chien Shing Stainless Co., China Steel Corporation, Goang Jau Shing Enterprise Co., Ltd., Ta Chen Stainless Pipe Co., Ltd., Tang Eng Iron Works, Yieh Loong Enterprise Co., Ltd, Yieh Mau Corp, and Yieh United Steel

Corporation. See, e.g., *Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube from Turkey*, 63 FR 35190, 35191 (June 29, 1998); *Certain Steel Concrete Reinforcing Bars From Turkey; Final Results, Rescission of Antidumping Duty Administrative Review in Part, and Determination To Revoke in Part*, 70 FR 67665, 67666 (Nov. 8, 2005).

Regarding the tenth company, Yieh Corp., CBP information indicated that this company may, in fact, have had shipments or entries of subject merchandise entered into the United States during the POR. See the CBP Memo. Based on the CBP information, on February 1, 2007, we requested that Yieh Corp. explain the entries at issue. In a response dated March 5, 2007, Yieh Corp. stated that it had inadvertently overlooked the shipments in question. As a result, on May 24, 2007, we afforded Yieh Corp. an additional opportunity to respond to the questionnaire. Yieh Corp. did not respond to this questionnaire. Because Yieh Corp. had shipments of subject merchandise during the POR, we are not rescinding the administrative review with respect to it. For further information, see the "Application of Facts Available" section of this notice.

#### Emerdex Companies

The Department finds that it is appropriate to rescind the instant review with respect to the Emerdex Companies named by the petitioners in their review request because the Department found in the 2003–2004 administrative review of this order that the Emerdex companies are U.S. entities. See *Stainless Steel Sheet and Strip in Coils from Taiwan: Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review*, 71 FR 45521, 45524–45525 (Aug. 9, 2006) (unchanged in *Stainless Steel Sheet and Strip in Coils From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 75504 (Dec. 15, 2006)). We note that the petitioners in the instant review have not provided any additional information demonstrating that the Emerdex companies for which they have requested a review are located in Taiwan. Consequently, consistent with the Department's findings in the prior review, we are preliminarily rescinding this review with regard to the Emerdex companies.

#### Application of Facts Available

Section 776(a) of the Act provides that the Department will apply "facts otherwise available" if, *inter alia*, necessary information is not available on the record or an interested party: 1) withholds information that has been requested by the Department; 2) fails to provide such information within the deadlines established, or in the form or manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act; 3) significantly impedes a proceeding; or 4) provides such information, but the information cannot be verified.

As discussed in the "Background" section above, in August 2006, the Department requested that the 12 companies subject to this review respond to the Department's questionnaire. The original deadline to file a response was September 1, 2006. One of these 12 companies, PFP Taiwan, did not respond to the Department's initial request for information. Subsequently, in September 2006, the Department issued a letter to this company affording it a second opportunity to submit a response to the Department's questionnaire. However, PFP Taiwan also did not respond to this second questionnaire. On July 31, 2007, the Department placed documentation on the record confirming delivery of the questionnaire to this company. See the July 31, 2007, Memorandum to the File from Elizabeth Eastwood, Senior Analyst, entitled, "Confirmation of Delivery of the Questionnaire in the 2005–2006 Antidumping Duty Administrative Review on Stainless Steel Sheet and Strip in Coils from Taiwan." By failing to respond to the Department's questionnaire, this company withheld requested information and significantly impeded the proceeding. Thus, pursuant to sections 776(a)(2)(A) and (C) of the Act, because this company did not respond to the Department's questionnaire, the Department preliminarily finds that the use of total facts available is warranted.

Furthermore, one additional company, Yieh Corp., claimed that it made no shipments of subject merchandise to the United States during the POR. However, according to data obtained from CBP, it appeared that Yieh Corp. may, in fact, have made shipments of subject merchandise to the United States during the POR. On January 29, 2007, we placed copies of the entry documentation related to these shipments on the record of this proceeding. See the January 29, 2007, Memorandum to the File from Jill

<sup>7</sup> GIN4 Mo, GIN5 and GIN6 are the proprietary grades of Hitachi Metals America, Ltd.

Pollack, Senior Analyst, entitled, "2005–2006 Administrative Review of Stainless Steel Sheet and Strip in Coils from Taiwan: Entry Documents from U.S. Customs and Border Protection (CBP)."

On February 1, 2007, we requested that Yieh Corp. explain why it did not report the entries in question. On March 5, 2007, Yieh Corp. responded by stating that it had inadvertently overlooked them. On May 24, 2007, we informed Yieh Corp. that it was required to respond to the Department's questionnaire no later than June 7, 2007. Because Yieh Corp. did not respond to this questionnaire, we find that Yieh Corp. withheld requested information and significantly impeded the proceeding. Thus, pursuant to sections 776(a)(2)(A) and (C) of the Act, the Department preliminarily finds that the use of total facts available is warranted for Yieh Corp.

According to section 776(b) of the Act, if the Department finds that an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information, the Department may use an inference that is adverse to the interests of that party in selecting from the facts otherwise available. *See also Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Bar from India*, 70 FR 54023, 54025–26 (Sept. 13, 2005); and *Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55794–96 (Aug. 30, 2002). Adverse inferences are appropriate "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." *See Statement of Administrative Action accompanying the Uruguay Round Agreements Act*, H.R. Rep. No. 103–316, Vol. 1 (1994) at 870 (SAA), reprinted in 1994 U.S.C.A.N. 4040, 4198–99. Furthermore, "affirmative evidence of bad faith on the part of a respondent is not required before the Department may make an adverse inference." *See Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27340 (May 19, 1997); *see also Nippon Steel Corp. v. United States*, 337 F.3d 1373, 1382–83 (Fed. Cir. 2003) (*Nippon*). We preliminarily find that PFP Taiwan and Yieh Corp. did not act to the best of their abilities in this administrative review, within the meaning of section 776(b) of the Act, because they could have responded to the Department's requests for information, but failed to do so. Therefore, an adverse inference is

warranted in selecting from the facts otherwise available with respect to these companies. *See Nippon*, 337 F.3d at 1382–83.

Section 776(b) of the Act provides that the Department may use as AFA information derived from: 1) The petition; 2) the final determination in the investigation; 3) any previous review; or 4) any other information placed on the record.

The Department's practice, when selecting an AFA rate from among the possible sources of information, has been to ensure that the margin is sufficiently adverse "as to effectuate the statutory purposes of the adverse facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner." *See, e.g., Certain Steel Concrete Reinforcing Bars from Turkey; Final Results and Rescission of Antidumping Duty Administrative Review in Part*, 71 FR 65082, 65084 (Nov. 7, 2006).

In order to ensure that the margin is sufficiently adverse so as to induce cooperation, we have preliminarily assigned a rate of 21.10 percent, which is the highest appropriate dumping margin from this or any prior segment of the proceeding. *See* section 776(b)(2) of the Act. This rate was the highest petition margin and was used as AFA in numerous antidumping duty administrative reviews of this order. *See, e.g., Stainless Steel Sheet and Strip in Coils from Taiwan: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 7519, 7521 (Feb. 13, 2006) (*2003–2004 SSSSC from Taiwan*).

The Department notes that, while the highest dumping margin calculated during this or any prior segment of the proceeding is 36.44 percent, this margin represents a combined rate applied to a channel transaction in the less-than-fair-value (LTFV) segment of this proceeding, and it is based on "middleman dumping" by a different respondent. *See Tung Mung Development Co. v. United States*, 219 F. Supp. 2d 1333, 1345 (CIT 2002), *aff'd* 354 F. 3d 1371, 1382 (Fed. Cir. 2004). Where circumstances indicate that a particular dumping margin is not appropriate as AFA, the Department will disregard the margin and determine another more appropriate one as facts available. *See Fresh Cut Flowers from Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812, 6814 (Feb. 22, 1996) (where the Department disregarded the highest dumping margin for use as AFA because the margin was based on another company's uncharacteristic business

expense, resulting in an unusually high dumping margin). An AFA rate based on middleman dumping would be inappropriate to use here given that the record does not indicate that any of PFP Taiwan's or Yieh Corp.'s exports to the United States during the POR involved a middleman. Thus, consistent with previous reviews, the Department has continued to use as AFA the highest dumping margin from any segment of the proceeding for a producer's direct exports to the United States, without middleman dumping, which is 21.10 percent.

Section 776(c) of the Act requires that the Department, to the extent practicable, corroborate secondary information from independent sources that are reasonably at its disposal. Secondary information is defined as "[i]nformation derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise." *See* SAA at 870. The SAA clarifies that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. *Id.* As noted in *F.Lii de Cecco di Filippo Fara S. Martino, S.p.A. v. United States*, 216 F.3d 1027, 1030 (2000), to corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information.

The rate of 21.10 percent constitutes secondary information. To corroborate this rate, among other things, we compared it to the transaction-specific rates calculated for Chia Far and found it to be reliable and relevant for use in this administrative review. For the company-specific information used to corroborate this rate, see the July 31, 2007, memorandum to the File from Elizabeth Eastwood, Senior Analyst, entitled, "Corroboration of Adverse Facts Available Rate for the Preliminary Results in the 2005–2006 Antidumping Duty Administrative Review of Stainless Steel Sheet and Strip in Coils From Taiwan." We find the 21.10 percent rate to be probative because it does not appear to be aberrational when compared to Chia Far's transaction-specific rates and no information has been presented to call into question the relevance of the rate. Thus, we find that the rate of 21.10 percent is sufficiently corroborated for purposes of the instant administrative review.

#### Affiliation

During the first administrative review in this proceeding, the Department

found Chia Far and its U.S. reseller, Lucky Medsup Inc. (Lucky Medsup), to be affiliated by way of a principal-agent relationship. The Department primarily based its finding on: 1) A document demonstrating the existence of a principal-agent relationship; 2) Chia Far's degree of involvement in sales between Lucky Medsup and its customers; 3) evidence indicating Chia Far knew the identity of Lucky Medsup's customers, and the customers were aware of Chia Far; 4) Lucky Medsup's operations as a "go-through" who did not maintain any inventory or further manufacture products; and, 5) Chia Far's inability to provide any documents to support its claim that the document indicating a principal-agent relationship was not valid during the POR. See *Stainless Steel Sheet and Strip in Coils from Taiwan: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 67 FR 6682 (Feb. 13, 2002) and the accompanying Issues and Decision Memorandum at Comment 23 (upheld by the Court of International Trade (CIT) in *Chia Far Industrial Factory Co. Ltd. v. United States*, et al., 343 F. Supp. 2d 1344, 1356 (CIT 2004)). See also the July 31, 2007, memorandum from Elizabeth Eastwood, Senior Analyst, to the file entitled, "Placing Information Regarding the Principal-Agent Relationship between Lucky Medsup Inc. and Chia Far Industrial Factory Co., Ltd. on the Record of the 2005-2006 Antidumping Duty Administrative Review on Stainless Steel Sheet and Strip in Coils from Taiwan." The Department continues to treat Chia Far and Lucky Medsup as affiliated parties.

In the instant administrative review Chia Far contends that it is not affiliated with Lucky Medsup because: 1) there is no cross-ownership between Chia Far and Lucky Medsup and no sharing of officers or directors; 2) Lucky Medsup's owner operates independently of Chia Far as a middleman; 3) Lucky Medsup's transactions with Chia Far are at arm's length; 4) there are no exclusive distribution contracts between Lucky Medsup and Chia Far (the one that existed in 1994 was terminated in 1995); and, 5) Lucky Medsup is not obligated to sell Chia Far's merchandise and Chia Far is not obligated to sell through Lucky Medsup in the United States.

We, however, find the fact pattern in the instant review is not significantly dissimilar from that which existed in the previous antidumping duty administrative reviews, where the Department had found the parties to be affiliated. See, e.g., *Stainless Steel Sheet and Strip From Taiwan; Final Results and Partial Rescission of Antidumping*

*Duty Administrative Review*, 67 FR 6682 (Feb. 13, 2002). First and foremost, Chia Far has not provided any documents in response to the Department's request that it demonstrate that the agency agreement was terminated and the principal-agent relationship no longer exists. See Chia Far's January 16, 2007, supplemental questionnaire response at page 2. Furthermore, Chia Far's degree of involvement in Lucky Medsup's U.S. sales is similar to that found in prior reviews. Specifically, Chia Far knew the identity of the end-customers and of certain sales terms that the end-customers had requested before it set its price to Lucky Medsup, Lucky Medsup's sales order confirmation identifies Chia Far as the manufacturer, and Chia Far shipped the merchandise directly to the end-customers. See the June 29, 2007, memorandum to the file from Shawn Thompson and Jill Pollack entitled, "Verification of the Sales Response of Chia Far Industrial Factory Co. Ltd. (Chia Far) in the Antidumping Duty Administrative Review on Stainless Steel Sheet and Strip in Coils (SSSSC) from Taiwan" at pages 8 and 9. Lastly, as was true in prior segments of this proceeding, during the instant POR Lucky Medsup did not maintain inventory or further manufacture SSSSC. Therefore, we continue to find that Chia Far is affiliated with Lucky Medsup by way of a principal-agent relationship. We invite comments from interested parties on this issue for consideration in the final results.

#### Identifying Home Market Sales

Section 773(a)(1)(B) of the Act defines NV as the price at which the foreign like product is first sold (or, in the absence of a sale, offered for sale) for consumption in the exporting country (home market), in the usual commercial quantities and in the ordinary course of trade and, to the extent practicable, at the same level of trade (LOT) as the export price (EP) or constructed export price (CEP). In implementing this provision, the CIT has found that sales should be reported as home market sales if the producer "knew or should have known that the merchandise {it sold} was for home consumption based upon the particular facts and circumstances surrounding the sales." See *Tung Mung Development Co., Ltd. & Yieh United Steel Corp. v. United States*, et al., 25 CIT 752, 783 (2001); citing *INA Walzlager Schaeffler KG v. United States*, 957 F. Supp. 251 (1997). Where a respondent has no knowledge as to the destination of subject merchandise, except that it is for export, the Department will classify such sales as

export sales and exclude them from the home market sales database. See *Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Plate Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate From Korea*, 58 FR 37176, 37182 (July 9, 1993).

In its October 10, 2006, questionnaire response, Chia Far stated that it has reason to believe that some of the home market customers to whom it sold SSSSC during the POR may have exported the merchandise. Specifically, Chia Far indicated that it shipped some of the SSSSC it sold to home market customers during the POR to a container yard or placed the SSSSC in an ocean shipping container at the home market customer's request. Chia Far stated that, even though the merchandise was containerized or sent to a container yard, it could not prove the merchandise was exported to a third country, and therefore, it included those sales among its reported home market sales. Although Chia Far stated that it does not definitively know whether the SSSSC in question will be exported, the Department has preliminarily determined that, based on the fact that these sales were sent to a container yard or placed in a container by Chia Far at the request of the home market customer, Chia Far should have known that the SSSSC in question was not for consumption in the home market. Therefore, consistent with this determination, the Department has preliminarily excluded these sales from Chia Far's home market sales database.

#### Comparisons to Normal Value

In order to determine whether Chia Far sold SSSSC to the United States at prices less than NV, the Department compared the EP and CEP of individual U.S. sales to the monthly weighted-average NV of sales of the foreign like product made in the ordinary course of trade. See section 777A(d)(2) of the Act; see also section 773(a)(1)(B)(i) of the Act. Section 771(16) of the Act defines foreign like product as merchandise that is identical or similar to subject merchandise and produced by the same person and in the same country as the subject merchandise. Thus, we considered all products covered by the scope of the order that were produced by the same person and in the same country as the subject merchandise, and sold by Chia Far in the comparison market during the POR, to be foreign like products for the purpose of determining appropriate product

comparisons to SSSSC sold in the United States.

During the POR, Chia Far sold subject merchandise and foreign like product that it made from hot- and cold-rolled stainless steel coils (products covered by the scope of the order) purchased from unaffiliated parties. Chia Far further processed the hot- and cold-rolled stainless steel coils by performing one or more of the following procedures: cold-rolling, bright annealing, surface finishing/shaping, and slitting. We did not consider Chia Far to be the producer of the merchandise under review if it performed insignificant processing on the coils (e.g., annealing, slitting, surface finishing). See *Stainless Steel Plate in Coils from Belgium: Final Results of Antidumping Duty Administrative Review*, 69 FR 74495 (Dec. 14, 2004) and the accompanying Issues and Decision Memorandum at Comment 4 (listing painting, slitting, finishing, pickling, oiling, and annealing as minor processing for flat-rolled products). Furthermore, we did not consider Chia Far to be the producer of the cold-rolled products that it sold if it was not the first party to cold-roll the coils. The cold-rolling process changes the surface quality and mechanical properties of the product and produces useful combinations of hardness, strength, stiffness, and ductility. Stainless steel cold-rolled coils are distinguished from hot-rolled coils by their reduced thickness, tighter tolerances, better surface quality, and increased hardness which are achieved through cold-rolling. Chia Far's cold-rolling of the cold-rolled coils that it purchased may have modified these characteristics to suit the needs of particular customers; however, it did not impart these defining characteristics to the finished coils. Thus, we considered the original party that cold-rolled the product to be its producer.

#### Product Comparisons

The Department compared U.S. sales to sales made in the comparison market within the contemporaneous window period, which extends from three months prior to the month in which the first U.S. sale was made until two months after the month in which the last U.S. sale was made. See 19 CFR 351.414(e)(2). Where there were no sales of identical merchandise made in the comparison market in the ordinary course of trade, the Department compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. In making product comparisons, the Department selected identical and most similar

foreign like products based on the physical characteristics reported by Chia Far in the following order of importance: grade, hot- or cold-rolled, gauge, surface finish, metallic coating, non-metallic coating, width, temper, and edge.

#### Export Price and Constructed Export Price

The Department based the price of Chia Far's U.S. sales of subject merchandise on EP or CEP, as appropriate. Specifically, when Chia Far sold subject merchandise to unaffiliated purchasers in the United States prior to importation, and CEP was not otherwise warranted based on the facts of the record, we based the price of the sale on EP, in accordance with section 772(a) of the Act. When Chia Far sold subject merchandise to unaffiliated purchasers in the United States through its U.S. affiliate, Lucky Medsup, we based the price of the sale on CEP, in accordance with section 772(b) of the Act.

We revised Chia Far's reported U.S. sales data to take in account our findings at verification. For further discussion, see the the July 31, 2007, memorandum to the file from Elizabeth Eastwood entitled, "Sales Calculation Adjustments for Chia Far Industrial Factory Co., Ltd. (Chia Far) for the Preliminary Results" (Chia Far Sales Calculation Memorandum).

We based EP on packed prices to the first unaffiliated purchaser in the United States. We made deductions from the starting price for foreign inland freight expenses, foreign brokerage and handling expenses, international freight expenses, marine insurance expenses, and harbor maintenance fees, in accordance with section 772(c)(2)(A) of the Act. In addition, we found at verification that Chia Far incurred certificate-of-origin fees on some EP sales. Because Chia Far was not able to identify at verification on which transactions it incurred this expense, pursuant to section 776(a)(1) of the Act, as facts available we are assigning this certificate-of-origin fee to all EP sales. For further discussion, see the Chia Far Sales Calculation Memorandum.

We based CEP on packed prices sold to the first unaffiliated purchaser in the United States. We made deductions for foreign inland freight expenses, foreign brokerage and handling expenses, container handling expenses, foreign harbor construction expenses, international freight expenses, marine insurance expenses, U.S. duty expenses, U.S. brokerage and handling expenses, other U.S. transportation expenses, and harbor maintenance fees, in accordance with section 772(c)(2)(A) of the Act.

In accordance with section 772(d)(1) of the Act and 19 CFR 351.402(b), we deducted from CEP those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (i.e., imputed credit expenses, bank fees, and warranties), and indirect selling expenses. We recalculated Lucky Medsup's indirect selling expense ratio to include an amount for unreported pension expenses. For the details of this recalculation, see the Chia Far Sales Calculation Memorandum.

In addition, we deducted from the CEP starting price an amount for CEP profit (profit allocated to expenses deducted under sections 772(d)(1) and (d)(2) of the Act) in accordance with sections 772(d)(3) and 772(f) of the Act. We computed profit by deducting from the total revenue realized on sales in both the U.S. and home markets, all expenses associated with those sales. We then allocated profit to the expenses incurred with respect to U.S. economic activity, based on the ratio of total U.S. expenses to total expenses for both the U.S. and home markets.

#### Normal Value

##### A. Home Market Viability

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 volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Because the aggregate volume of Chia Far's home market sales of the foreign like product is more than five percent of the aggregate volume of its U.S. sales of subject merchandise, we based NV on sales of the foreign like product in the respondent's home market.

##### B. Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same LOT as the EP or CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). See 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *Id.* See also *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (Nov. 19, 1997) (*Plate from South Africa*). In order to determine whether the comparison

market sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the chain of distribution), including selling functions, class of customer (customer category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying LOTs for EP and comparison market sales (*i.e.*, NV based on either home market or third country prices),<sup>8</sup> we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. *See Micron Technology, Inc. v. United States*, 243 F.3d 1301, 1314 (Fed. Cir. 2001).

When the Department is unable to match U.S. sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing EP or CEP sales at a different LOT in the comparison market, where available data make it practicable, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if the NV LOT is more remote from the factory than the CEP LOT and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability (*i.e.*, no LOT adjustment was practicable), the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. *See Plate from South Africa*, 62 FR at 61732–33.

In this administrative review, we obtained information from Chia Far regarding the marketing stages involved in making the reported home market and U.S. sales, including a description of the selling activities performed by Chia Far for each channel of distribution. Chia Far reported that it made EP sales in the U.S. market to distributors, as well as CEP sales to Lucky Medsup. Chia Far reported identical selling activities for both channels of distribution. We examined the selling activities performed for these channels and found that Chia Far performed the following selling functions: 1) Price negotiation and communication with the customer; 2) arranging for freight and the provision of customs clearance/brokerage services (where necessary); 3) provision of general technical advice (where

necessary) and quality assurance related activities; and 4) packing. These selling activities can be generally grouped into four core selling function categories for analysis: 1) sales and marketing; 2) freight and delivery; and 3) inventory maintenance and warehousing; and, 4) warranty and technical support. Accordingly, based on the core selling functions, we find that Chia Far performed sales and marketing, freight and delivery services, and warranty and technical support services for U.S. sales. Because Chia Far's selling activities did not vary by distribution channel, we preliminarily determine that there is one LOT in the U.S. market.

With respect to the home market, Chia Far reported that it made sales to distributors and end users. We examined the selling activities performed for home market sales and found that Chia Far performed the following selling functions equally for sales to distributors and end users: 1) Price negotiation and communication with the customer; 2) arranging for freight (where necessary); 3) provision of general technical advice (where necessary) and quality assurance related activities; 4) packing; and, 5) post-sale warehousing/processing on request. Accordingly, based on the core selling functions described above, we find that Chia Far performed sales and marketing, freight and delivery services, warranty and technical support services, and inventory maintenance and warehousing for home market sales. Consequently, we preliminarily determine that there is one LOT in the home market for Chia Far.

Finally, we compared the U.S. LOT to the home market LOT and found that the core selling functions performed for U.S. and home market customers do not differ significantly. Specifically, although Chia Far performed occasional warehousing and post-sale processing functions in the home market that it did not perform on sales to the United States, we do not find these differences to be material selling function distinctions significant enough to warrant a separate LOT. Thus, we determine that the NV LOT for Chia Far is the same as the U.S. LOT for Chia Far.

Regarding the CEP–offset provision, as described above, it is appropriate only if the NV LOT is more remote from the factory than the CEP LOT and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability. Because we find that no difference in LOTs exists, we do not find that a CEP offset is warranted for Chia Far.

### C. Cost of Production Analysis

In the 2003–2004 administrative review, the most recently completed segment of this proceeding as of the date of initiation of this review, the Department determined that Chia Far sold foreign like product at prices below the cost of producing the product and excluded such sales from the calculation of NV. *See Stainless Steel Sheet and Strip in Coils from Taiwan: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 46137, 46144 (Aug. 9, 2005) (unchanged in *2003–2004 SSSSC from Taiwan*). As a result, the Department initiated an investigation to determine whether Chia Far made home market sales during the POR at prices below their COPs.

#### 1. Calculation of COP

In accordance with section 773(b)(3) of the Act, for each foreign like product sold by Chia Far during the POR, we calculated a weighted–average COP based on the sum of the respondent's materials and fabrication costs, G&A expenses, and financial expenses. We made the following adjustments to Chia Far's cost data.

1. We adjusted the reported product–specific costs of manufacturing to account for an unreconciled difference between the costs reported in Chia Far's submitted cost database and its audited financial statements.
2. We revised Chia Far's G&A expense rate to include the company's year–end adjustments to raw material and work–in–process inventories.
3. Because Chia Far had net financial income, we did not include an amount for financial expense in the calculation of COP. This is in accordance with the Department's practice of determining that, when a company earns enough financial income that it recovers all of its financial expense, that company did not have a resulting cost for financing during that period. *See Certain Steel Concrete Reinforcing Bars from Turkey: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 26455, 26460 (May 5, 2006) (unchanged in *Certain Steel Concrete Reinforcing Bars From Turkey: Final Results and Rescission of Antidumping Duty Administrative Review in Part*, 71 FR 65082 (Nov. 7, 2006)); and *Notice of Final Results of Antidumping Duty Administrative*

<sup>8</sup> Where NV is based on CV, we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, general and administrative (G&A) expenses, and profit for CV, where possible.



*Review: Certain Softwood Lumber Products From Canada*, 70 FR 73437 (Dec. 12, 2005), and accompanying Issues and Decision Memorandum at Comments 9 and 25.

4. For the cost of SSSSC not produced by Chia Far, we used, as facts available, Chia Far's costs to produce merchandise with characteristics identical or similar to the characteristics of the merchandise not produced by Chia Far.

For further information, see the July 31, 2007, memorandum to Neal M. Halper from Heidi Schrieffer entitled, "Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results - Chia Far Industrial Factory Co., Ltd."

**2. Test of Comparison-Market Sales Prices**

In order to determine whether sales were made at prices below the COP on a product-specific basis, we compared the respondent's weighted-average COP to the prices of its home market sales of foreign like product, as required under section 773(b) of the Act. In accordance with sections 773(b)(1)(A) and (B) of the Act, in determining whether to disregard home market sales made at prices less than the COP, we examined whether such sales were made: 1) In substantial quantities within an extended period of time; and 2) at prices which permitted the recovery of all costs within a reasonable period of time. We compared the COP to home market sales prices, less any applicable movement charges and direct and indirect selling expenses.

**3. Results of the COP Test**

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of Chia Far's sales of a given product were made at prices less than the COP, we did not disregard any below-cost sales of that product because the below-cost sales were not made in "substantial quantities." Where 20 percent or more of Chia Far's sales of a given product were made at prices less than the COP during the POR, we determined such sales to have been made in "substantial quantities" within an extended period of time (i.e., one year) pursuant to sections 773(b)(2)(B) and (C) of the Act. Based on our comparison of POR average costs to reported prices, we also determined, in accordance with section 773(b)(2)(D) of the Act, that these sales were not made at prices which would permit recovery of all costs within a reasonable period of time. As a result,

we disregarded the below-cost sales of that product.

**D. Calculation of Normal Value Based on Comparison Market Prices**

We based NV for Chia Far on prices to unaffiliated customers in the home market. We revised Chia Far's reported home market sales data to take in account our findings at verification. For further discussion, see the Chia Far Sales Calculation Memorandum. We made deductions from the starting price, where appropriate, for billing adjustments and rebates. We also made deductions from the starting price for foreign inland freight expenses under section 773(a)(6)(B)(ii) of the Act. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 for differences in credit expenses, bank fees, and warranties.

We also deducted home market packing costs and added U.S. packing costs, in accordance with sections 773(a)(6)(A) and (B) of the Act. Finally, we made adjustments for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411.

**Currency Conversion**

We made currency conversions into U.S. dollars in accordance with section 773A of the Act and 19 CFR 351.415, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

**Preliminary Results of the Review**

We preliminarily determine that weighted-average dumping margins exist for the respondents for the period July 1, 2005, through June 30, 2006, as follows:

Manufacturer/Exporter	Percent Margin
Chia Far Industrial Factory Co., Ltd .....	1.43
PFP Taiwan Co., Ltd. ...	21.10
Yieh Trading Corp./Yieh Corp. ....	21.10

**Disclosure and Public Hearing**

The Department will disclose to parties the calculations performed in connection with these preliminary results within five days of the date of publication of this notice. See 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c)(ii), interested parties may submit cases briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 35 days after the date of

publication of this notice. See 19 CFR 351.309(d)(1). Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument: 1) A statement of the issue; 2) a brief summary of the argument; and 3) a table of authorities. See 19 CFR 351.309(c)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, Room B-099, within 30 days of the date of publication of this notice. Requests should contain: 1) the party's name, address and telephone number; 2) the number of participants; and 3) a list of issues to be discussed. *Id.* Issues raised in the hearing will be limited to those raised in the respective case briefs. The Department will issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

**Assessment Rates**

Upon completion of the administrative review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries, in accordance with 19 CFR 351.212. The Department will issue appropriate appraisal instructions for the companies subject to this review directly to CBP 15 days after the date of publication of the final results of this review.

For Chia Far, we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those sales.

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*. 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*. 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 and for future deposits of estimated duties, where applicable.

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 following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: 1) The cash deposit rate for each specific company listed above will be that 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 no cash deposit will be required; 2) for previously reviewed or investigated companies not participating in this review, 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, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and 4) the cash deposit rate for all other manufacturers or exporters will continue to be 12.61 percent, the "All Others" rate made effective by the LTFV investigation. See *SSSSC Order*, 64 FR at 40557. These deposit requirements, when imposed, shall remain in effect until further notice.

### 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.

This administrative review and notice are published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221.

Dated: July 27, 2007.

**David M. Spooner**,

*Assistant Secretary for Import Administration.*

[FR Doc. E7-15155 Filed 8-2-07; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

#### Notice of Scope Rulings

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

**EFFECTIVE DATE:** August 3, 2007.

**SUMMARY:** The Department of Commerce ("Department") hereby publishes a list of scope rulings completed between April 1, 2007, and June 30, 2007. In conjunction with this list, the Department is also publishing a list of requests for scope rulings and anticircumvention determinations pending as of June 30, 2007. We intend to publish future lists after the close of the next calendar quarter.

**FOR FURTHER INFORMATION CONTACT:** Juanita H. Chen, AD/CVD Operations, SEC Office, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, DC 20230; telephone: 202-482-1904.

#### SUPPLEMENTARY INFORMATION:

##### Background

The Department's regulations provide that the Secretary will publish in the **Federal Register** a list of scope rulings on a quarterly basis. See 19 C.F.R. 351.225(o). Our most recent notification of scope rulings was published on May 1, 2007. See *Notice of Scope Rulings*, 72 FR 23802 (May 1, 2007). This current notice covers all scope rulings and anticircumvention determinations completed by Import Administration between April 1, 2007, and June 30, 2007, inclusive, and it also lists any scope or anticircumvention inquiries pending as of June 30, 2007. As described below, subsequent lists will follow after the close of each calendar quarter.

#### Scope Rulings Completed Between April 1, 2007, and June 30, 2007:

People's Republic of China

*A-570-504: Petroleum Wax Candles from the People's Republic of China*

Requestor: Musical Candle Company; its musical candle is included within the scope of the antidumping duty order; April 6, 2007.

*A-570-504: Petroleum Wax Candles from the People's Republic of China*

Requestor: H S Candle, Inc.; its Wedding Cake (item WD008); Wedding Carriage (item WD011); Bride & Groom Wedding Cake Topper (item WD006); Wedding Bells (item WD012); and Pillow with Rings (item WD026) candles from its "Wedding Candle" series, and its Champagne Bottle in Ice Bucket (item HS028) from its "Holiday Candle" series, are not within the scope of the antidumping duty order; May 10, 2007.

*A-570-504: Petroleum Wax Candles from the People's Republic of China*

Requestor: FashionCraft-Excello, Inc.; its flip flops (pink, blue, orange, or yellow; item #8820), wedding cake (white, ivory, pink or silver; item #8205, 8206, 8207, and 3875), baby bottle (pink or blue; item #3867, and 3868), pears (item #8201), rubber duckie (item #8209), coach (silver or gold; item #3854 and 3855), baby carriage (pink or blue; item #3852 and 3853), and teddy bear on a rocking horse (pink or blue; item #3863 and 3864) candles are not within the scope of the antidumping duty order; April 11, 2007.

*A-570-803: Heavy Forged Hand Tools from the People's Republic of China*

Requestor: Cummins Industrial Tools; the 10-ton log splitter is not within the scope of the antidumping duty order; June 1, 2007.

*A-570-803: Heavy Forged Hand Tools from the People's Republic of China*

Requestor: Agri-Fab; the Tow Behind Log Splitter is not within the scope of the antidumping duty order; June 1, 2007.

*A-570-826: Paper Clips from the People's Republic of China*

Requestor: Esselte Corporation; the Pendaflex® Pile Smart™ Label Clips are not within the scope of the antidumping duty order; May 1, 2007.

*A-570-890: Wooden Bedroom Furniture from the People's Republic of China*

Requestor: Target Corporation; the products in its "Manhattan Collection" (which consists of a bench, computer cart, bookcase, modular room divider