Exporter & Producer	Weighted–Average Margin
Produced by: Pangang Group Beihai Steel Pipe Corporation.	
Jiangsu Yulong Steel Pipe Co., Ltd.	74.68%
Produced by: Jiangsu Yulong Steel Pipe Co., Ltd..	
Tianjin Xingyuda Import and Export Co., Ltd.	74.68%
Produced by: Tianjin Lifengyuanda Steel Pipe Group Co., Ltd..	
PRC–Wide Rate	81.52%

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Suspension of Liquidation

In accordance with section 733(d) of the Act, we will instruct U.S. Customs and Border protection (''CBP'') to suspend liquidation of all entries of welded line pipe from the PRC as described in the ''Scope of Investigation'' section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted–average amount by which the normal value exceeds U.S. price, as follows: (1) the rate for the exporter/producer combinations listed in the chart above will be the rate we have determined in this preliminary determination; (2) for all PRC exporters of subject merchandise which have not received their own rate, the cash–deposit rate will be the PRC–wide rate; and (3) for all non–PRC exporters of subject merchandise which have not received their own rate, the cash–deposit rate will be the rate applicable to the PRC exporter/producer combination that supplied that non–PRC exporter. These suspension–of-liquidation instructions will remain in effect until further notice.

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary affirmative determination of sales at LTFV. Section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of welded line pipe, or sales (or the likelihood of sales) for importation, of the subject merchandise within 45 days of our final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Import Administration no later than seven days after the date the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, no later than five days after the deadline for submitting case briefs. *See* 19 CFR 351.309(c)(1)(i) and 19 CFR 351.309(d)(1). A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes.

In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. If a request for a hearing is made, we intend to hold the hearing three days after the deadline of submission of rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Ave, NW, Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

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, U.S. Department of Commerce, Room 1870, within 30 days after the date of publication of this notice. *See* 19 CFR 351.310(c). Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. At the hearing, each party may make an affirmative presentation only on issues raised in that party's case brief and may make rebuttal presentations only on arguments included in that party's rebuttal brief.

Postponement of Final Determination and Extension of Provisional Measures

Pursuant to section 735(a)(2) of the Act, on October 3, 2008, Shanghai Metals requested that in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days. At the same time, Shanghai Metals agreed that the Department may extend the application of the provisional measures prescribed under 19 CFR 351.210(e)(2) from a 4-month period to a 6-month period. In accordance with section 733(d) of the Act and 19 CFR 351.210(b), we are granting the request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register** because: (1) our preliminary determination is affirmative, (2) the requesting exporters account for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist. Suspension of liquidation will be extended accordingly.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Dated: October 30, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–26503 Filed 11–5–08; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

(A–580–861)

Preliminary Determination of Sales at Less Than Fair Value and Postponement of the Final Determination: Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea

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

EFFECTIVE DATE: November 6, 2008.

SUMMARY: The U.S. Department of Commerce (the Department) preliminarily determines that certain circular welded carbon quality steel line pipe (welded line pipe) from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The estimated margins of sales at LTFV are listed in the ''Suspension of Liquidation'' section of this notice. Interested parties are invited to comment on this preliminary determination in accordance with the

time frame explained in the ''Public Comment'' section of this notice.

FOR FURTHER INFORMATION CONTACT: Patrick Edwards (Hyundai HYSCO) or Dena Crossland (SeAH Steel Corporation), 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) 482–8029 or (202) 482–3362, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 23, 2008, the Department initiated the antidumping duty investigation of welded line pipe from Korea. *See Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea and the People's Republic of China: Initiation of Antidumping Duty Investigations*, 73 FR 23188 (April 29, 2008) (*Initiation Notice*). The petitioners in this investigation are United States Steel Corporation (U.S. Steel), Maverick Tube Corporation (Maverick), Tex–Tube Company, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, and AFL–CIO-CLC (collectively, petitioners).

The Department set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments withinendar days from the date of signature of the *Initiation Notice* (*i.e.*, May 13, 2008). *See Initiation Notice*, 73 FR at 23189. On May 13, 2008, Wheatland Tube Company, a domestic interested party, submitted comments on the scope.

On June 3, 2008, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of welded line pipe from Korea and the People's Republic of China are materially injuring or threatening with material injury the U.S. industry and the ITC notified the Department of its findings. *See Certain Circular Welded Carbon Quality Steel Line Pipe From China and Korea: 701 TA 455 and 731 TA 1149 1150 (Preliminary)*, 73 FR 31712 (June 3, 2008).

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. In their petition, petitioners identified four potential Korean respondents. *See* Petitions for the Imposition of Antidumping and Countervailing Duties: Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China and the Republic of Korea, dated April 3, 2008, Vol. I (Petition), at Exhibit 6b. In the *Initiation Notice*, the Department stated that it expected to determine respondents based on U.S. Customs and Border Protection (CBP) data of U.S. imports of welded line pipe from Korea. On April 30, 2008, we invited interested parties to provide comments on a respondent–selection methodology. As an attachment to the April 30, 2008, letter, the Department released an electronic version of the relevant CBP data to eligible parties under administrative protective order (APO). On May 9, 2008, the Department received comments from Maverick and U.S. Steel. Additionally, we received comments from Korean producers/exporters, Hyundai HYSCO (HYSCO), Husteel Co., Ltd. (Husteel), and SeAH Steel Corporation (SeAH).

The Department determined that it was not practicable to examine each known exporter/producer of the subject merchandise, as provided in section 777A(c)(1) of the Act. Based on CBP data and interested parties' comments, the Department selected two companies, HYSCO and SeAH, as mandatory respondents pursuant to section 777A(c)(2)(1)(B) of the Act, because these two companies accounted for the largest volume of sales of subject merchandise. *See* Memorandum to Deputy Assistant Secretary Stephen J. Claeys, titled ''Antidumping Duty Investigation on Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea (A–580–861): Respondent Selection,'' dated May 29, 2008 (Respondent Selection Memorandum). We issued antidumping duty questionnaires to HYSCO and SeAH on May 29, 2008.

HYSCO

The Department received the section A questionnaire response (Section A Response), and the section B and C questionnaire responses (Section B and C Responses), from HYSCO on July 3, 2008, and July 17, 2008, respectively. Petitioners filed comments on HYSCO's section A through C questionnaire responses on August 5, 2008, and the Department subsequently issued a supplemental questionnaire regarding HYSCO's section A through C questionnaire responses on August 6, 2008.

On August 26, 2008, based on an allegation timely filed by petitioners, the Department initiated a sales–below-cost investigation for HYSCO, finding reasonable grounds to believe that HYSCO made comparison market sales of welded line pipe at prices below its cost of production (COP). *See* ''Cost of Production Analysis'' section below for further information. Consequently, the Department requested in a letter dated August 27, 2008, that HYSCO respond to section D of the Department's antidumping duty questionnaire.

HYSCO submitted its response to the Department's supplemental questionnaire on September 3, 2008 (Supplemental Response). On September 11, 2008, the Department issued a second supplemental questionnaire to HYSCO regarding its section A through C supplemental questionnaire responses. HYSCO filed its response to the second supplemental questionnaire on September 24, 2008 (Second Supplemental Response), concurrent with its section D questionnaire response (Section D Response).

On October 1, 2008, the Department issued a third supplemental questionnaire to HYSCO concerning its sections A through C sales responses. On October 6, 2008, the Department issued a supplemental COP questionnaire to HYSCO concerning its Section D Response. HYSCO filed its third supplemental questionnaire response on October 7, 2008 (Third Supplemental Response). On October 14, 2008, petitioners submitted comments for the Department's consideration prior to the preliminary determination. *See* Letter from United States Steel Corporation, dated October 14, 2008. On October 17, 2008, HYSCO submitted revised sales and cost data due to errors it discovered while preparing its response to the Department's supplemental COP questionnaire. On October 20, 2008, the Department granted a partial request for extension for HYSCO to respond to certain aspects of the Department's supplemental cost questionnaire. *See* HYSCO's Extension Request for Supplemental D Questionnaire, dated October 16, 2008. On October 20, 2008, the Department received HYSCO's initial response to the Department's supplemental cost questionnaire. On October 22, 2008, the Department received comments from HYSCO responding to petitioners October 14, 2008, comments for the preliminary determination. HYSCO filed the remainder of its response to the Department's supplemental cost questionnaire on October 27, 2008.

SEAH

The Department received SeAH's section A questionnaire response, and the section B and C questionnaire responses, from SeAH on July 3, 2008, and July 18, 2008, respectively (Section

A Response; Section B and C Responses). Petitioners filed comments on SeAH's Section A Response, and its Section B and C Responses on July 22, 2008, and July 29, 2008, respectively. The Department subsequently issued a supplemental questionnaire regarding SeAH's section A through C questionnaire responses on August 5, 2008. On August 26, 2008, based on an allegation timely filed by petitioners, the Department initiated a sales–below-cost investigation for SeAH, finding reasonable grounds to believe that SeAH made comparison market sales of welded line pipe at prices below its COP. *See* ''Cost of Production Analysis'' section below for further information. Consequently, the Department requested in a letter dated August 27, 2008, that SeAH respond to section D of the Department's antidumping duty questionnaire.

SeAH replied to the Department's supplemental questionnaire on August 27, 2008 (Supplemental Response). Petitioners filed comments on SeAH's section A through C supplemental questionnaire responses on September 9, 2008, and the Department issued a second supplemental questionnaire to SeAH regarding its section A through C questionnaire supplemental responses on September 12, 2008. SeAH filed its response to the second supplemental questionnaire on September 23, 2008 (Second Supplemental Response). On September 24, 2008, SeAH filed its response to the Department's section D questionnaire (Section D Response). On October 6, 2008, the Department issued a supplemental cost questionnaire to SeAH concerning its section D Response. On October 14, 2008, the Department received SeAH's response to the Department's supplemental cost questionnaire (Supplemental Cost Response). On October 17, 2008, the Department issued a second supplemental cost questionnaire to SeAH concerning its Supplemental Cost Response. On October 21, 2008, the Department received SeAH's response to the Department's second supplemental cost questionnaire (Second Supplemental Cost Response).

Targeted Dumping Allegations

On September 30, 2008, petitioners (*i.e.*, U.S. Steel and Maverick) timely filed with the Department separate allegations of targeted dumping for both HYSCO and SeAH. Upon review of petitioners' allegations, the Department determined that further information was needed in order to adequately analyze the targeted dumping allegations for HYSCO and SeAH. The Department issued supplemental questionnaires to petitioners on October 14, 2008, and October 21, 2008, regarding HYSCO and SeAH, respectively, requesting they address deficiencies identified by the Department. *See* Letters from Angelica L. Mendoza, Program Manager, to U.S. Steel and Maverick, dated October 14, 2008, and October 21, 2008, respectively. Because there was a need for substantative supplemental information regarding the allegation for HYSCO, we do not have a sufficient basis for making a finding of targeted dumping with respect to HYSCO prior to the October 30, 2008, deadline for issuance of the preliminary determination. We intend to address the allegation for HYSCO in full upon receipt of a satisfactory response by petitioner U.S. Steel to our request for additional information. However, after reviewing petitioner Maverick's supplemental questionnaire response, we have accepted Maverick's targeted dumping allegation with respect to SeAH. *See* ''Analysis of Targeted Dumping Allegation for SeAH'' section below for further description.

Postponement of Preliminary Determination

On August 12, 2008, petitioners requested that the Department postpone the preliminary determination by 50 days. The Department published an extension notice on August 29, 2008, which set the new deadline for the preliminary determination at October 30, 2008. *See Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea and the People's Republic of China: Postponement of Preliminary Determination of Antidumping Duty Investigations*, 73 FR 50941 (August 29, 2008).

Analysis of Targeted Dumping Allegation for SeAH

As noted above, petitioner Maverick, submitted an allegation of targeted dumping with respect to SeAH on October 3, 2008. *See* section 777A(d)(1)(B) of the Act. In its allegation, Maverick asserts that there are patterns of constructed export prices (CEPs) for comparable merchandise that differ significantly among purchasers and regions. We note that all of SeAH's U.S. sales are CEP sales. The Department requested additional information and clarification from Maverick with respect to its targeted dumping allegation. *See* Letter from Angelica Mendoza to Maverick, dated October 21, 2008. On October 27, 2008, Maverick provided its response in which it relied on the Department's targeted dumping test utilized in *Tires from the PRC. See Certain New Pneumatic Off–The-Road Tires from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 40485 (July 15, 2008) and accompanying Issues and Decision Memorandum (*Tires from the PRC*) dated July 7, 2008, at Comment 23.B and 23.G.

New Targeted Dumping Test

The statute allows the Department to employ the average–to-transaction methodology if: 1) there is a pattern of export prices that differ significantly among purchasers, regions, or periods of time, and 2) the Department explains why such differences cannot be taken into account using the average–to-average or transaction–to-transaction methodology.[1]

In the recent final determination memorandum in the antidumping investigation of sodium metal from France, the Department applied a new targeted dumping standard and methodology for analyzing targeted dumping allegations.[2]

We conducted customer- and region–targeted dumping analyses for SeAH using the methodology described in the Sodium Metal Final Analysis Memorandum, which was based on the final determinations of the recent *Steel Nails*, *Tires from the PRC*,[3] and *LWTP*[4] targeted dumping test for purposes of the final determination. This is also the test put forward in the Department's *Proposed Methodology for Identifying and Analyzing Targeted Dumping in Antidumping Investigations; Request for Comment*, 73 FR 26371 (May 9, 2008). The Department is currently analyzing

[1] Section 777A(d)(1)(B) of the Act.

[2] *See Sodium Metal from France: Notice of Final Determination of Sales at Less Than Fair Value and Negative Critical Circumstances*, 73 FR 62252, (October 20, 2008) and accompanying Issues and Decision Memorandum at Comments 2 and 3 and the Memorandum to James Terpstra, Program Manager for the Office of AD/CVD Operations, from Dennis McClure and Joy Zhang, Analysts for the Office of AD/CVD Operations, RE: Antidumping Duty Investigation of Sodium Metal from France, Subject: Final Analysis Memorandum for Sales MSSA, dated October 10, 2008 (Sodium Metal Final Analysis Memorandum).

[3] *See Certain Steel Nails from the United Arab Emirates: Notice of Final Determination of Sales at Not Less Than Fair Value*, 73 FR 33985 (June 16, 2008) and accompanying Issues and Decision Memorandum dated June 6, 2008, at Comment 5; *see also*; *Certain Steel Nails from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 33977 (June 16, 2008) and accompanying Issues and Decision Memorandum, dated June 6, 2008, at Comments 3, 5, and 9 (collectively, *Steel Nails*).

[4] *See Lightweight Thermal Paper from Germany: Notice of Final Determination of Sales at Less Than Fair Value*, 73 FR 57326 (October 2, 2008) (*LWTP*).

comments received by interested parties. *See* http://ia.ita.doc.gov/ia–highlights-and–news.html.

The methodology we employed involves a two–stage test: the first stage addresses the pattern requirement, and the second stage addresses the significant difference requirement. All price comparisons have been done on the basis of identical merchandise (*i.e.*, by control number or CONNUM). The test procedures are the same for customer, region, and time period targeted dumping allegations,[5] even though the example given in the general description below applies to customer targeting.

In the first stage of the test, referred to as the ''standard deviation test,'' the Department determined, on an exporter–specific basis, the share of the alleged targeted customer's purchases of subject merchandise (by sales volume) that are at prices more than one standard deviation below the weighted–average price to all customers of that exporter, targeted and non–targeted. We calculated the standard deviation on a product–specific basis (*i.e.*, CONNUM by CONNUM) using the period of investigation–wide average prices (weighted by sales volume) for each alleged targeted customer and each distinct non–targeted customer. If that share did not exceed 33 percent of the total volume of the exporter's sales of subject merchandise to the alleged targeted customer, then the pattern requirement is not met and the Department did not conduct the second stage of the test.

However, if that share exceeded 33 percent of the total volume of the exporter's sales of subject merchandise to the alleged targeted customer, then the pattern requirement is met and the Department proceeded to the second stage of the test. Specifically, the Department examined in the second stage all of the sales of identical merchandise (*i.e.*, by CONNUM) by that exporter to the alleged targeted customer that meet the standard deviation requirement. From those sales, we determined the total volume of sales for which the difference between (i) the sales–weighted-average price to the alleged targeted customer and (ii) the next higher sales–weighted-average price to a non–targeted customer exceeded the average price gap (weighted by sales volume) for the non–targeted group.[6] Each of the price gaps in the non–targeted group was weighted by the combined sales volume associated with the pair of prices to non–targeted customers that make up the price gap. In doing this analysis, the alleged targeted customers were not included in the non–targeted group; each alleged targeted customer's average price was compared to only the average prices to non–targeted customers. If the share of the sales that met this test exceeded five percent of the total sales volume of subject merchandise to the alleged targeted customer,[7] the significant difference requirement was met and the Department determined that customer targeting occurred.

If the Department determined that, for sales to the customer, there was a pattern of prices that differ significantly, we applied the transaction–to-average methodology to any targeted sales and applied the average–to-average methodology to the remaining non–targeted sales.[8] When calculating the weighted–average margin, we combine the margin calculated for the targeted sales with the margin calculated for the non–targeted sales, without offsetting any margins found among the targeted sales.

We based all of our targeted dumping calculations on the U.S. net price determined in our margin program in our Preliminary Calculation Memorandum. *See* Memorandum to the File titled ''Analysis of Data Submitted by SeAH Steel Corporation (SeAH) in the Preliminary Determination of the Antidumping Duty Investigation of Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea,'' dated October 30, 2008 (SeAH Analysis Memo) on file in the Central Records Unit, Room 1117 of the main Department building.

Results of the Application of the New Targeted Dumping Test

For purposes of this preliminary determination on targeted dumping, we have applied the above–described test to the U.S. sales data reported by SeAH. Our observations and results are discussed in more detail in a separate memorandum placed on the record of this investigation.

We preliminarily determine that there is a pattern of CEPs for comparable merchandise that differ significantly among customers and regions for SeAH. Therefore, we applied the average–to-transaction methodology to the targeted sales by SeAH under 19 CFR 351.414(f)(1)(i). For all other U.S. sales by SeAH (*i.e.*, non–targeted), we have applied the average–to-average methodology for purposes of determining SeAH's overall weighted–average dumping margin.

Comments by Interested Parties

Parties may comment on the Department's overall preliminary determination application of the new targeted dumping test in this proceeding. Consistent with 19 CFR 351.309(c)(2), all comments should be filed in the context of the case and rebuttal briefs. *See* the ''Public Comment'' section below for details regarding the briefing schedule for this investigation.

Period of Investigation

The period of investigation (POI) is April 1, 2007, to March 31, 2008.

Scope of Investigation

The merchandise that is the subject of this investigation is circular welded carbon quality steel pipe of a kind used for oil and gas pipelines (welded line pipe), not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.

The term ''carbon quality steel'' includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for nonalloy steels imposed in the Harmonized Tariff Schedule of the United States (HTSUS). Specifically, the term ''carbon quality'' includes products in which (1) iron predominates by weight over each of the

[5] Petitioners also made a targeted dumping allegation based on region for SeAH in this investigation.

[6] The next higher price is the sales-weighted-average price to the non-targeted group that is above the sales-weighted-average price to the alleged targeted group. For example, if the sales-weighted-average price to the alleged targeted group is $7.95 and the sales-weighted-average prices to the non-targeted group are $8.30, $8.25, and $7.50, we would calculate the difference between $7.95 and $8.25 because this is the next higher price in the non-targeted group above $7.95 (the average price to the targeted group).

[7] For example: If non-targeted A's weighted-average price is $1.00 with a total sales volume of 100 metric tons (MT) and non-targeted B's weighted-average price is $0.95 with a total sales volume of 120 MT, then the difference of $0.05 ($1.00- $0.95) would be weighted by 220 MT (100 MT + 120 MT).

[8] Consistent with 19 CFR 351.414(f)(2), we have limited our application of the average-to-transaction methodology to the targeted sales under 19 CFR 351.414(f)(1)(i). As specified in the preamble to the regulations, the Department will apply the average-to-transaction methodology solely to address the practice of targeting. *See Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27375 (May 19, 1997). In the preamble, the Department indicated that where the targeting is so widespread that it is administratively impractical to segregate targeted sales prices from the normal pricing behavior of the company, it may be necessary to apply the average-to-transaction methodology to all sales of a particular respondent. In this case, however, we are able to segregate the targeted sales prices, by customer or region, where appropriate, from the normal pricing behavior of the company and, therefore, have limited our application of the average-to-transaction methodology to the sales to the targeted group.

other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated:

(i) 2.00 percent of manganese,
(ii) 2.25 percent of silicon,
(iii) 1.00 percent of copper,
(iv) 0.50 percent of aluminum,
(v) 1.25 percent of chromium,
(vi) 0.30 percent of cobalt,
(vii) 0.40 percent of lead,
(viii) 1.25 percent of nickel,
(ix) 0.30 percent of tungsten,
(x) 0.012 percent of boron,
(xi) 0.50 percent of molybdenum,
(xii) 0.15 percent of niobium,
(xiii) 0.41 percent of titanium,
(xiv) 0.15 percent of vanadium, or
(xv) 0.15 percent of zirconium.

Welded line pipe is normally produced to specifications published by the American Petroleum Institute (API) (or comparable foreign specifications) including API A–25, 5LA, 5LB, and X grades from 42 and above, and/or any other proprietary grades or non–graded material. Nevertheless, all pipe meeting the physical description set forth above that is of a kind used in oil and gas pipelines, including all multiple–stenciled pipe with an API line pipe stencil is covered by the scope of this investigation.

The line pipe products that are the subject of this investigation are currently classifiable in the HTSUS under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Model Match

In accordance with section 771(16) of the Act, all products produced by the respondents covered by the description in the ''Scope of Investigation'' section above, and sold in Korea during the POI, are considered to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales.

On April 29, 2008, the Department asked all parties in this investigation and, in the concurrent antidumping duty investigation of welded line pipe from the People's Republic of China, for comments on the appropriate product characteristics for defining individual products. *See Initiation Notice*, 73 FR at 23190. The Department received comments on the model matching methodology from petitioners on May 13, 2008, and rebuttal comments from Korean producer/exporter Husteel and respondent SeAH on May 20, 2008. Petitioners responded to Husteel's and SeAH's rebuttal comments on May 27, 2008. We adjusted our model match criteria based on certain comments from the parties.

We have relied on six criteria to match U.S. sales of subject merchandise to comparison market sales of the foreign like product: epoxy finish, grade, outside diameter, wall thickness, end finish, and surface finish. Where there were no sales of identical merchandise in the comparison market made in the ordinary course of trade 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 listed above.

Date of Sale

19 CFR 351.401(i) states that the Department normally will use the date of invoice, as recorded in the producer's or exporter's records kept in the ordinary course of business, as the date of sale. The regulations further provide that the Department may use a date other than the date of the invoice if the Secretary is satisfied that a different date better reflects the date on which the material terms of sale are established. *See* 19 CFR 351.401(i).

HYSCO

HYSCO reported the shipment date as the date of sale for all sales in the comparison market, as invoicing occurs subsequent to shipment in HYSCO's ordinary course of trade. *See* HYSCO's Section B Response at B–12. For its U.S. sales, HYSCO reported the earlier of invoice date or shipment date, when applicable. *See* HYSCO's Section C Response at C–10. HYSCO reported in its questionnaire responses that HYSCO invoices its comparison market customers on a monthly basis for all sales made during a given month. As such and as reported by HYSCO, the shipment precedes issuance of the commercial or tax invoice in the comparison market. *Id.*; *see also*, HYSCO's Supplemental Response at S–8 through S–10. Normally, the Department employs invoice date as the date of sale in accordance with 19 CFR 351.401(i). However, it is the Department's practice to use shipment date as the date of sale when shipment date precedes invoice date. *See Certain Cold–Rolled and Corrosion–Resistant Carbon Steel Flat Products From Korea: Final Results of Antidumping Duty Administrative Reviews*, 63 FR 13170, 13172–73 (March 18, 1998) (*Corrosion Resistant Steel from Korea*). We therefore find that HYSCO's reporting methodology is in accordance with our practice, as its comparison market sales are invoiced after the date of shipment. *See Stainless Steel Sheet and Strip in Coils from the Republic of Korea: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 18074, 18079–80 (April 10, 2006), unchanged in *Stainless Steel Sheet and Strip in Coils from the Republic of Korea: Final Results and Rescission of Antidumping Duty Administrative Review in Part*, 72 FR 4486 (January 31, 2007) and the accompanying Issues and Decision Memorandum at Comments 4 and 5 (*SSSS from Korea*); *Tires from the PRC*, and the accompanying Issues and Decision Memorandum at Comment 81. We have, therefore, preliminarily determined that shipment date is the appropriate date to use as the date of sale for HYSCO's comparison market sales as all of its sales in Korea were invoiced subsequent to the date of shipment.

The circumstances regarding the date of sale of HYSCO's sales to the United States are similar to those of its comparison market sales. HYSCO reported both export price (EP) and CEP sales to the United States. For its EP sales, which HYSCO ships through an unaffiliated trading company located in Korea, HYSCO has reported the earlier of either shipment date or the date of invoice (where the invoice date is the date of issuance of HYSCO's invoice to the Korean trading company). *See* HYSCO's Section C Response at C–10. For its CEP sales, made through its U.S. affiliate, Hyundai HYSCO USA, Inc. (HHU), HYSCO has also reported the earlier of shipment date or the date of invoice as the appropriate date of sale, where applicable, and where the date of invoice is the date on which the U.S. affiliate issues the invoice to the unaffiliated customer. *Id.* HYSCO reported in its questionnaire responses that certain material terms of its U.S. sales may continue to be negotiated up until the issuance of the commercial invoice. Our review of HYSCO's sales data indicates that, in some cases, the reported shipment date precedes the reported invoice date. In such circumstances, the Department normally uses the earlier of invoice date or shipment date as the date of sale. *Id. See also*, HYSCO Supplemental Response at S–8 through S–10. We find that HYSCO's reporting methodology is consistent with our practice. *See*, *e.g.*, *Corrosion Resistant Steel from Korea*, *SSSS from Korea* and *Tires from the PRC*.

Therefore, and similar to the circumstances of HYSCO's comparison market sales, we have preliminarily determined that in instances where the

sales invoice was issued after the date of shipment for HYSCO's U.S. sales, we will use the shipment date as the appropriate date of sale, as the Department's practice is to not use a date of sale after the date of shipment. *See*, *e.g.*, *Corrosion Resistant Steel from Korea*, *SSSS from Korea* and *Tires from the PRC*. In instances where the invoice was issued (where the terms of sale are finalized) prior to the date of shipment, we will use the invoice date as the correct date of sale. For a further discussion of this issue, *see* Memorandum to the File titled ''Analysis of Data Submitted by Hyundai HYSCO (HYSCO) in the Preliminary Determination of the Antidumping Duty Investigation of Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea,'' dated October 30, 2008 (HYSCO Analysis Memo).

SEAH

As stated above, 19 CFR 351.401(i) stipulates that the Department normally will use the date of invoice, as recorded in the producer's or exporter's records kept in the ordinary course of business, as the date of sale. However, if shipment date precedes invoice date, the Department's practice has been to use the shipment date as the date of sale. *See*, *e.g.*, *Corrosion Resistant Steel from Korea*, *SSSS from Korea* and *Tires from the PRC*.

SeAH reported the date of the shipping invoice, which is issued on the date of shipment, as the date of sale for its comparison market sales. *See* SeAH's Section B and C questionnaire responses at B–12, and SeAH's Supplemental Response at 4 and 5. According to SeAH, the shipping invoice is the first document that is generated for each comparison market sale, once the merchandise has been produced and the actual quantity has been finalized, and the date of the shipping invoice is the date of sale that is recorded in SeAH's financial accounting records. *See* SeAH's Supplemental Response at 4. SeAH stated that the quantity often changes between the time of the order and the time of shipment, when the shipping invoice is issued, and provided a comparison table and sample sales documents to demonstrate the quantity changes that transpired during the POI. *See* SeAH's Supplemental Response at Exhibit A–37.

For its U.S. sales, SeAH sold through two affiliated companies in the United States, Pusan Pipe America (PPA) and State Pipe and Supply (State Pipe), and reported that for State Pipe, the subject merchandise was inventoried in the United States prior to sale to the unaffiliated U.S. customer. For sales through PPA (*i.e.*, back–to-back transactions), SeAH reported the shipment date, as listed in the bill of lading, as the date of sale, as it preceded the date of PPA's invoice to the unaffiliated U.S. customer for all transactions. *See* SeAH's Section A Response at 11, and SeAH's Section B and C Responses at C–11 and C–12. For sales through State Pipe, SeAH reported the date of State Pipe's invoice to the unaffiliated U.S. customer, which is the same date as the shipment date from State Pipe to the unaffiliated U.S. customer, because the subject merchandise was inventoried in the United States prior to sale to the customer. *Id.* SeAH provided a comparison table and sample documents to demonstrate that there were changes between the ordered quantity and the shipped quantity during the POI that were outside the normal tolerance level. *See* SeAH's Supplemental Response at Exhibit A–37.

Based on SeAH's responses, and having no record evidence that would indicate otherwise, we preliminarily determine that for SeAH's comparison market sales, the shipping invoice date, which is the same as the date of shipment, is the appropriate date to use as the date of sale because this is the date that is recorded in SeAH's records and it is the date when the material terms of sale (*i.e.*, price and quantity) are finalized. For SeAH's U.S. sales through State Pipe, we have preliminarily determined that the date of State Pipe's invoice to the unaffiliated U.S. customer is the appropriate date to use as the date of sale because this is the date when the material terms of sale are finalized pursuant to 19 CFR 351.401(i). For SeAH's U.S. sales through PPA, we have preliminarily determined that the date of shipment from SeAH is the appropriate date of sale, in accordance with the Department's practice in *Corrosion Resistant Steel from Korea*, *SSSS from Korea* and *Tires from the PRC*, because the material terms of sale were set prior to the date of PPA's invoice to the unaffiliated U.S. customer. For further discussion of this issue, *see* SeAH Analysis Memo.

Fair Value Comparisons

To determine whether sales of welded line pipe from Korea were made in the United States at less than normal value (NV), we compared the EP or CEP to the NV, as described in the ''Export Price and Constructed Export Price'' and ''Normal Value'' sections below. In accordance with section 777A(d)(1) of the Act, we calculated the weighted–average prices for NV and compared these to the weighted–average EP (and CEP), when appropriate.

Export Price and Constructed Export Price

For the price to the United States, we used, as appropriate, EP or CEP, in accordance with sections 772(a) and (b) of the Act. Pursuant to section 772(a) of the Act, we used the EP methodology when the merchandise was sold by the producer or exporter outside the United States directly to the first unaffiliated purchaser in the United States prior to importation and when CEP was not otherwise warranted based on the facts on the record. In accordance with section 772(b) of the Act, CEP is 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 subsections (c) and (d).

We based EP and CEP on the packed prices charged to the first unaffiliated customer in the United States and the applicable terms of sale.

HYSCO

HYSCO classified two types of sales to the United States: 1) direct sales to end–user customers (*i.e.*, EP sales) via an unaffiliated trading company based in Korea; and 2) sales via its U.S. affiliate, HHU, to unaffiliated distributors (*i.e.*, CEP sales). *See* HYSCO's Section A Response at A–6 through A–12. For purposes of this preliminary determination, we have accepted HYSCO's classifications.

For HYSCO's reported EP sales, we based the date of sale on the earlier of either the sales invoice date or the shipment date. We calculated EP based on the packed prices to an unaffiliated trading company located in Korea, through which HYSCO sold merchandise to the United States and had knowledge of the final destination. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act, which included foreign inland freight, foreign brokerage and handling, international freight, marine insurance, U.S. brokerage and handling, and U.S. customs duties. We made further adjustments for direct expenses (credit expenses) in accordance with section 772(c)(2)(A) of the Act.

We calculated CEP based on prices charged to the first unaffiliated U.S. customer after importation. We used the

earlier of either the sales invoice date or the shipment date as the date of sale. We based CEP on the gross unit price from HHU to its unaffiliated U.S. customers. Where applicable and pursuant to sections 772(c)(2)(A) and (d)(1) of the Act, the Department made deductions for movement expenses, which included foreign inland freight, foreign brokerage and handling, brokerage and handling in the United States, international freight, marine insurance and U.S. Customs duties. In accordance with section 772(d)(1) of the Act, we also deducted, where applicable, U.S. direct selling expenses, including credit expenses, U.S. indirect selling expenses, and inventory carrying costs incurred in Korea associated with economic activities in the United States. We also deducted CEP profit in accordance with section 772(d)(3) of the Act. For further discussion, *see* HYSCO Analysis Memo.

SEAH

SeAH's U.S. sales were made by its U.S. affiliates, PPA and State Pipe. We, therefore, based all of SeAH's prices to the United States on CEP. We used shipment date as the date of sale because it preceded the invoice date for SeAH's sales through PPA to the United States. For sales by State Pipe, we relied on the date of State Pipe's invoice to the unaffiliated U.S. customer. When appropriate, we adjusted prices to reflect deductions and/or increases for early payment and other discounts and warranty expenses. In accordance with section 772(c)(2) of the Act, we made deductions, where appropriate, for movement expenses including inland freight, brokerage and handling in the country of manufacture, international freight, marine insurance, U.S. brokerage and handling, U.S. customs duties, U.S. inland freight to the U.S. warehouse, warehousing in the United States, and U.S. inland freight from the U.S. warehouse to the unaffiliated customer in the United States.

For CEP, in accordance with section 772(d)(1) of the Act, when appropriate, we deducted from the starting price those selling expenses that were incurred in selling the subject merchandise in the United States, including direct selling expenses (*e.g.*, warranty expenses and other direct selling expenses), imputed credit expenses, U.S. indirect selling expenses, and inventory carrying costs incurred in Korea associated with economic activities in the United States. We also deducted from CEP an amount for profit in accordance with sections 772(d)(3) and (f) of the Act. *See* SeAH Analysis Memo.

Normal Value

A. Home Market Viability and Comparison Market Selection

To determine whether there was a sufficient volume of sales in the home market (*i.e.*, Korea) to serve as a viable basis for calculating NV, we compared the respondents' volume of home market sales of the foreign like product to the volume of its U.S. sales of the subject merchandise. Pursuant to section 773(a)(1)(B)(I) of the Act, because each respondent had an aggregate volume of home market sales of the foreign like product that was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined that the respondents' sales of welded line pipe in Korea were sufficient to find the home market as viable for comparison purposes. Accordingly, we calculated NV for HYSCO and SeAH based on sales prices to Korean customers. However, the Department has concerns regarding merchandise HYSCO has reported as the foreign like product in this investigation, which may affect the viability of HYSCO's home market. Specifically, HYSCO has explained in its questionnaire responses that it made sales of secondary merchandise which did not meet the required specification or were defective in nature. HYSCO has reported these sales as sales of the foreign like product subject to this investigation for purposes of establishing normal value. *See* HYSCO's Section B Response at page B–6; HYSCO's Second Supplemental Response at page S–13; and HYSCO's Third Supplemental Response. The Department intends to thoroughly analyze this issue at verification.

B. Arm's–Length Test

HYSCO and SeAH reported sales of the foreign like product to affiliated and unaffiliated customers in the comparison market. The Department calculates NV based on a sale to an affiliated party only if it is satisfied that the price to the affiliated party is comparable to the price at which sales are made to parties not affiliated with the producer or exporter, *i.e.*, sales at ''arm's–length.'' *See* 19 CFR 351.403(c). To test whether these sales were made at arm's–length, we compared the starting prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, discounts and packing. In accordance with the Department's current practice, if the prices charged to an affiliated party were, on average, between 98 and 102 percent of the prices charged to unaffiliated parties for merchandise identical or most similar to that sold to the affiliated party, we considered the sales to be at arm's–length prices and included such sales in the calculation of NV. *See* 19 CFR 351.403(c). Conversely, where sales to the affiliated party did not pass the arm's–length test, all sales to that affiliated party were excluded from the NV calculation. *See Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186 (November 15, 2002); *see also*, HYSCO Analysis Memo and SeAH Analysis Memo.

C. Cost of Production Analysis

Based on our analysis of petitioners' allegations, we found that there were reasonable grounds to believe or suspect that HYSCO's and SeAH's sales of welded line pipe in the comparison market were made at prices below their COP. Accordingly, pursuant to section 773(b) of the Act, we initiated sales–below-cost investigations to determine whether these companies had sales that were made at prices below their respective COPs. *See* Memorandum to Richard O. Weible, Director, Office 7, titled ''Petitioner's Allegation of Sales Below the Cost of Production for Hyundai HYSCO (HYSCO),'' dated August 26, 2008; *see also*, Memorandum to Richard O. Weible, Director, Office 7, titled ''Petitioner's Allegation of Sales Below the Cost of Production for SeAH Steel Corporation (SeAH),'' dated August 26, 2008.

1. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated the respondents' COP based on the sum of their costs of materials and conversion for the foreign like product, plus an amount for home market selling expenses, general and administrative expenses (SG&A), interest expenses and packing costs. *See* the ''Test of Comparison Market Sales Prices'' section below for the treatment of comparison market selling expenses.

The Department relied on the COP data submitted by HYSCO and SeAH, in their respective section D questionnaire and supplemental responses for the COP calculation, except for the following instances:

SEAH

During the POI, SeAH purchased carbon steel hot–rolled coil inputs from a home market affiliate. The transfer price paid to the home market affiliate was less than the market price paid to SeAH's unaffiliated supplier. Therefore, for this preliminary determination, we have adjusted SeAH's reported total cost

of manufacturing to reflect the higher market price.

For a complete discussion of the changes made to the cost information submitted by SeAH, *see* Memorandum to Neal M. Halper, Director, Office of Accounting, titled ''Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination SeAH Steel Corporation,'' dated October 30, 2008.

2. Test of Comparison Market Sales Prices

On a product–specific basis, we compared the adjusted weighted–average COP to the comparison market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether the sale prices were below the COP. For purposes of this comparison, we used the COP exclusive of selling and packing expenses. The prices were exclusive of any applicable movement charges, direct and indirect selling expenses, and packing expenses.

3. Results of the COP Test

Pursuant to section 773(b)(2)(C)(i) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below–cost sales of that product because we determined that the below–cost sales were not made in ''substantial quantities.'' Where 20 percent or more of a respondent's sales of a given product during the POI were at prices less than COP, we determined that such sales have been made in ''substantial quantities.'' *See* section 773(b)(2)(C) of the Act. Further, the sales were made within an extended period of time, in accordance with section 773(b)(2)(B) of the Act, because we examined below–cost sales occurring during the entire POI. In such cases, because we compared prices to POI–average costs, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act.

We found that, for specific products, more than 20 percent of HYSCO's and SeAH's sales were at prices less than the COP and, in addition, such sales did not provide for the recovery of costs within a reasonable period of time. We, therefore, excluded these sales and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

D. Calculation of Normal Value Based on Comparison Market Prices

HYSCO

We calculated NV based on packed prices to unaffiliated customers in Korea and matched U.S. sales to NV. We used the date of shipment as the appropriate date of sale for HYSCO's comparison market sales. We increased the comparison market starting price, where appropriate, to account for reported interest revenue pursuant to section 773(a)(6)(A) of the Act. We made deductions, where appropriate, for movement expenses, and packing 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 as appropriate (*i.e.*, credit expenses), in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. We also made an adjustment, where appropriate, for the CEP offset in accordance with section 773(a)(7)(B) of the Act. *See* ''Level of Trade'' section below. Additionally, 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.

SEAH

We based comparison market prices on packed prices to unaffiliated customers in Korea. We adjusted the starting price for movement expenses and packing, pursuant to section 773(a)(6)(B) of the Act. In addition, as SeAH's sales were all CEP sales, for comparisons made to those CEP sales, we only deducted Korean credit expenses from comparison market prices, because U.S. credit expenses were deducted from U.S. price, as noted above and in accordance with section 772(c)(2) of the Act.

When comparing U.S. sales with comparison market sales of similar, but not identical, merchandise, we also made adjustments for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. We based this adjustment on the difference in the variable cost of manufacturing for the foreign like product and subject merchandise. *See* 19 CFR 351.411(b).

E. Level of Trade/Constructed Export Price Offset

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the EP or CEP transaction. The LOT in the comparison market is the LOT of the starting–price sales in the comparison market or, when NV is based on CV, the LOT of the sales from which we derive SG&A expenses and profit. With respect to U.S. price for EP transactions, the LOT is also that of the starting–price sale, which is usually from the exporter to the importer. *See* 19 CFR 351.412(c)(i). For CEP, the LOT is that of the constructed sale from the exporter to the affiliated importer. *See* 19 CFR 351.412(c)(ii). *See also Micron Technology, Inc. v. United States*, 243 F.3d 1301, 1314 (Fed. Cir. 2001).

To determine whether comparison market sales are at a different LOT from U.S. sales, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. *See*, *e.g.*, *Notice of Preliminary Determination of Sales at Not Less Than Fair Value: Polyethylene Terephthalate Film, Sheet, and Strip from Thailand*, 73 FR 24565 (May 5, 2008) (*PET Film from Thailand*); and *Notice of Preliminary Determination of Sales at Less Than Fair Value: Light–Walled Rectangular Pipe and Tube From Mexico,* 73 FR 5515 (January 30, 2008) (*LWR Pipe from Mexico*). If the comparison market sales are at different LOTs, 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, the Department makes an LOT adjustment in accordance with section 773(a)(7)(A) of the Act. *See also LWR Pipe from Mexico* at 5522. For CEP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the customer. See *PET Film from Thailand* at 24570. We analyze whether different selling activities are performed, and whether any price differences (other than those for which other allowances are made under the Act) are shown to be wholly or partly due to a difference in LOT between the CEP and NV. Under section 773(a)(7)(A) of the Act, we make an upward or downward adjustment to NV for LOT if the difference in LOT involves the performance of different selling activities and is demonstrated to affect price comparability, based on a pattern of consistent price differences between sales at different LOTs in the country in which NV is determined. Id. Finally, if the NV LOT is at a more advanced stage of distribution than the LOT of the CEP,

but the data available do not provide an appropriate basis to determine a LOT adjustment, we reduce NV by the amount of indirect selling expenses incurred in the foreign comparison market on sales of the foreign like product, but by no more than the amount of the indirect selling expenses incurred for CEP sales. *See* section 773(a)(7)(B) of the Act (the CEP offset provision) and *LWR Pipe from Mexico* at 5522.

In analyzing differences in selling functions, we determine whether the LOTs identified by the respondent are meaningful. *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR at 27371. If the claimed LOTs are the same, we expect that the functions and activities of the seller should be similar. Conversely, if a party claims that LOTs are different for different groups of sales, the functions and activities of the seller should be dissimilar. *See Porcelain–on-Steel Cookware from Mexico: Final Results of Administrative Review*, 65 FR 30068 (May 10, 2000) and accompanying Issues and Decision Memorandum at Comment 6.

HYSCO

HYSCO reported one channel of distribution in the comparison market (*i.e.*, Korea), distinguished by two separate classes of customer: 1) direct sales to unaffiliated distributors and, 2) direct sales to affiliated and unaffiliated end–users. *See* HYSCO's Section A Response at A–11. HYSCO reported its selling functions to both distributors and end–users in the home market as: sales forecasting, strategic/economic planning, personnel training, advertising, sales promotion, packing, order input/processing, direct sales personnel, sales and marketing support, market research, technical assistance, providing warranty services, and arranging freight and delivery. *Id.* at A–12 and Exhibit 6. Specifically, HYSCO reported that it sold directly to its comparison market customers at a single LOT. *Id.* at A–11 through A–12. We examined the selling activities reported for HYSCO's channel of distribution to its customers. Based on record evidence and HYSCO's questionnaire responses, we found that HYSCO's level of selling functions and stages of marketing reported for its comparison market channel of distribution customers did not vary significantly by class of customer (*i.e.*, distributor vs. end–user). Therefore, we preliminarily conclude that the selling functions for the reported channel of distribution and classes of customer in that channel constitute one LOT in the comparison market.

With regard to its sales to the United States, HYSCO reported one EP LOT and one CEP LOT, with a single channel of distribution for each. *See* HYSCO's Section A Response at A–11 through A–13. HYSCO's EP sales to the United States were made through an unaffiliated trading company located in Korea, which sold subject merchandise to unaffiliated distributors in the United States. HYSCO also made CEP sales through its wholly–owned U.S. subsidiary, HHU, to unaffiliated distributors. We preliminarily find that HYSCO has two channels of distribution for its sales of subject merchandise to the United States: EP sales to unaffiliated distributors, and CEP sales to unaffiliated distributors. *Id. See also*, HYSCO's Section A Response at Exhibit A–8.

For EP sales, we examined the selling activities related to each of the selling functions between HYSCO and its unaffiliated trading company in Korea. HYSCO reported its selling functions to the trading company as: sales forecasting, strategic/economic planning, personnel training, advertising, sales promotion, packing, order input/processing, direct sales personnel, sales and marketing support, market research, technical assistance, and providing freight and delivery arrangement to the United States. *See* HYSCO's Section A Response at Exhibit A–6. *See also*, HYSCO's Supplemental Response at S–7.

For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and CEP profit under section 772(d) of the Act. *See Micron Technology Inc. v. United States*, 243 F.3d at 1314–1315. We reviewed the selling functions and services performed by HYSCO on CEP sales to its U.S. affiliate, HHU, as described in its questionnaire responses, after these deductions. We found that HYSCO provides almost no selling functions to its U.S. affiliate in support of the CEP LOT. HYSCO reported that the only services it provided for the CEP sales were logistics for freight and delivery, order input and processing, and direct sales personnel. *See* HYSCO's Section A Response at Exhibit A–6. We then examined the selling functions performed by HYSCO on its EP sales in comparison with the selling functions performed on CEP sales (after the appropriate CEP deductions). We found that HYSCO performs an additional layer of selling functions at a greater frequency on its EP sales which are not performed on its sales to its affiliate. *Id. See also*, HYSCO's Section A Response at A–15 through A–17. Because these additional selling functions are significant, we find that HYSCO's EP sales are at a different LOT than its CEP sales.

We then compared the selling functions HYSCO provided in the comparison market LOT with the selling functions provided to the U.S. EP LOT. On this basis, we determined that the comparison market LOT is almost identical to HYSCO's U.S. EP LOT in the selling functions and stages of marketing that are provided to each market. *See* HYSCO's Section A Response at Exhibit A–6; *see also*, HYSCO's Section A Response at A–15 through A–17. Moreover, we find that the degree to which HYSCO provides these identical selling functions for its customers in both markets to be similar (*i.e.*, the exception being the provision of warranty services in HYSCO's comparison market LOT). *Id.*, *see also*, HYSCO Analysis Memo. It was, therefore, unnecessary to make an LOT adjustment for comparison of HYSCO's comparison market and EP prices.

HYSCO reported that it provided minimal selling functions and services for the CEP LOT and that, therefore, the comparison market LOT is more advanced than the CEP LOT. *See* HYSCO's Section A Response at A–15. Based on our analysis of the channels of distribution and selling functions performed by HYSCO for sales in the comparison market and CEP sales in the U.S. market, we found that the functions provided by HYSCO to its U.S. affiliate are limited to order processing and the arrangement of freight and delivery. *See* HYSCO's Section A Response at Exhibit A–6. Therefore, we preliminarily find that the comparison market LOT is at a more advanced stage of distribution when compared to CEP sales because HYSCO provides many selling functions to its comparison market customers, which are not otherwise provided in HYSCO's CEP LOT. *Id.*; *see also*, HYSCO's Section A Response at A–15.

Because the data available do not provide an appropriate basis for making a LOT adjustment and the LOT of HYSCO's comparison market sales is at a more advanced stage than the LOT of HYSCO's CEP sales, we preliminarily determine that a CEP offset is appropriate in accordance with section 773(a)(7)(B) of the Act, as claimed by HYSCO. We based the amount of the CEP offset on comparison market indirect selling expenses, and limited the deduction for comparison market indirect selling expense to the amount of the indirect selling expenses deducted from CEP in accordance with section 772(d)(1)(D) of the Act. We applied the CEP offset to the NV–CEP

comparisons. For a detailed discussion, *see* HSYCO Analysis Memo.

SEAH

SeAH reported two channels of distribution in the comparison market (*i.e.*, Korea) distinguished by two separate classes of customer: 1) direct sales to distributors and end–users, and 2) sales via an affiliated reseller, HD Steel Corporation, to unaffiliated distributors and end–users in the comparison market. *See* SeAH's B and C questionnaire responses at B–2. SeAH stated that there was no difference in the LOTs for its sales in the comparison market. *See* SeAH's B and C questionnaire responses at B–19. In the U.S. market, SeAH reported one LOT corresponding to two channels of distribution for the CEP sales made through its affiliated U.S. companies, PPA and State Pipe. *See* SeAH's B and C questionnaire responses at C–20. SeAH stated that it was not claiming a LOT adjustment, because it had no comparison market sales that were at the same LOT as the U.S. CEP sales, but stated that a CEP offset is warranted for its U.S. sales. *See* SeAH's A questionnaire response at 23. Furthermore, SeAH stated that its U.S. LOT is less advanced than its comparison market LOT. *Id.*

In our analysis, we determined that SeAH's level of selling functions to its comparison market customers for each of the four selling function categories (*i.e.*, sales process and marketing support, freight and delivery, inventory maintenance and warehousing, and warranty and technical services) did not vary significantly by channel of distribution. *See* SeAH's Supplemental Response at Exhibit A–46. We examined the level of selling functions for SeAH's U.S. customers and found that they did not vary significantly by channel of distribution. *Id.* Therefore, we preliminary determine that SeAH's comparison market and U.S. market sales constitute a single LOT.

We then compared the selling functions performed by SeAH for its CEP sales to the selling functions provided in the comparison market. We found that SeAH provides significant selling activities in the comparison market related to the sales process and marketing support selling functions, as well as warranty selling functions, which it does not provide for the unaffiliated U.S. market customer. *See* SeAH Analysis Memo and SeAH's Supplemental Response at Exhibit A–46, for business proprietary information on SeAH's selling functions. The differences in selling functions performed for comparison market and CEP transactions indicate that SeAH's comparison market sales involved a more advanced stage of distribution than its CEP sales. In the comparison market, SeAH provides marketing further down the chain of distribution by promoting certain downstream selling functions that are normally performed by the affiliated reseller in the U.S. market. *See* SeAH Analysis Memo and Supplemental Response at Exhibit A–46. On this basis, we determined that the comparison market LOT is at a more advanced stage of distribution when compared to CEP sales because SeAH provides more selling functions in the comparison market at higher levels of service as compared to selling functions performed for its CEP sales. Thus, we find that SeAH's comparison market sales are at a more advanced LOT than its CEP sales.

Based upon our analysis, we preliminarily determine that CEP and the starting price of comparison market sales represent different stages in the marketing process, and are thus at different LOTs. Therefore, when we compared CEP sales to the comparison market sales, we examined whether an LOT adjustment may be appropriate. In this case, because SeAH sold at one LOT in the comparison market, there is no basis upon which to determine whether there is a pattern of consistent price differences between LOTs. Further, we do not have the information which would allow us to examine the price patterns of SeAH's sales of other similar products, and there is no other record evidence upon which a LOT adjustment could be based. Therefore, no LOT adjustment was made.

Because the data available do not provide an appropriate basis for making a LOT adjustment and the LOT of SeAH's comparison market sales is at a more advanced stage than the LOT of SeAH's CEP sales, we preliminarily determine that a CEP offset is appropriate in accordance with section 773(a)(7)(B) of the Act, as claimed by SeAH. We based the amount of the CEP offset on comparison market indirect selling expenses, and limited the deduction for comparison market indirect selling expense to the amount of the indirect selling expenses deducted from CEP in accordance with section 772(d)(1)(D) of the Act. We applied the CEP offset to the NV–CEP comparisons. For a detailed discussion, *see* SeAH Analysis Memo.

Currency Conversion

We made currency conversions pursuant to 19 CFR 351.415 based on the exchange rates in effect on the date of the U.S. sale, as certified by the Federal Reserve Bank. *See* Import Administration website at: http://ia.ita.doc.gov/exchange/index.html.

Verification

As provided in section 782(i) of the Act, we intend to verify all information upon which we will rely in making our final determination.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final determination be accompanied by a request for an extension of the provisional measures from a four–month period to not more than six months. On October 10, 2008, SeAH requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination and that, concurrently, the Department extend the provisional measures to not more than six months. On October 15, 2008, HYSCO also submitted a request to postpone the final determination and extend the provisional measures from a four–month period to not more than six–months.

In accordance with section 733(d) of the Act and 19 CFR 351.210(b)(2)(i) and (ii), because we have made an affirmative preliminary determination in this investigation, and because we have received requests from both respondents, who account for a significant proportion of exports of the subject merchandise, we are postponing the final determination until not later than 135 days after the date of the publication of the preliminary determination.

Preliminary Determination

The weighted–average dumping margins are as follows:

Producer/Exporter	Weighted–Average Margin (Percentage)
Hyundai HYSCO	2.34
SeAH Steel Corporation	0.00 *de minimis*

Producer/Exporter	Weighted–Average Margin (Percentage)
All Others	2.34

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we are directing CBP to suspend liquidation of all entries of welded line pipe from Korea, with the exception of those produced and exported by SeAH, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted–average dumping margin, as indicated in the chart above, as follows: (1) the rate for the firms listed above (except for SeAH, see below) will be the rate we have determined in this preliminary determination; (2) if the exporter is not a firm identified in this investigation, but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 2.34 percent. These suspension–of-liquidation instructions will remain in effect until further notice.

In accordance with 19 CFR 351.204(e)(2), because the weighted–average margin for SeAH is *de minimis*, we will not instruct CBP to suspend liquidation of merchandise produced and exported by SeAH.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of the Department's preliminary affirmative determination. If the Department's final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether imports of welded line pipe from Korea are materially injuring, or threaten material injury to, the U.S. industry. We will disclose the calculations used in our analysis to parties in this proceeding in accordance with 19 CFR 351.224(b).

Public Comment

Interested parties are invited to comment on the preliminary determination. Interested parties may submit case briefs to the Department no later than seven days after the date of the issuance of the final verification report in this proceeding. *See* 19 CFR 351.309(c)(1)(i). Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs. *See* 19 CFR 351.309(d)(1) and (2). A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, we request that parties submitting briefs and rebuttal briefs provide the Department with a copy of the public version of such briefs on diskette. In accordance with section 774 of the Act, the Department will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held two days after the rebuttal brief deadline date at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and in a room to be determined. Parties should confirm by telephone, the date, time, and location of the hearing 48 hours before the scheduled date. Interested parties who wish to request a hearing, or to participate in a hearing if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, APO/Dockets Unit, Room 1870, within 30 days of the 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 the issues to be discussed. *See* 19 CFR 351.310(c). At the hearing, oral presentations will be limited to issues raised in the case briefs and rebuttal briefs.

This determination is issued and published pursuant to sections 733(f) and 777(I)(1) of the Act.

Dated: October 30, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–26504 Filed 11–5–08; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Proposed Information Collection; Comment Request; Vessel Monitoring System for Atlantic Highly Migratory Species

AGENCY: National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice.

SUMMARY: The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

DATES: Written comments must be submitted on or before January 5, 2009.

ADDRESSES: Direct all written comments to Diana Hynek, Departmental Paperwork Clearance Officer, Department of Commerce, Room 6625, 14th and Constitution Avenue, NW., Washington, DC 20230 (or via the Internet at *dHynek@doc.gov*).

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the information collection instrument and instructions should be directed to Peter Cooper, Highly Migratory Species Management Division (F/SF1), Office of Sustainable Fisheries, National Marine Fisheries Service, 1315 East-West Highway, Silver Spring, MD 20910 (phone 301–713–2347).

SUPPLEMENTARY INFORMATION:

I. Abstract

According to regulations under 50 CFR 635.69, the installation of a National Marine Fisheries Service (NMFS)-approved vessel monitoring systems (VMS) is required on: (1) All vessels issued Atlantic Highly Migratory Species (HMS) limited access permits (LAP) with pelagic longline gear on board; (2) all commercial vessels issued a directed shark LAP with bottom longline gear on board that are located between 33°00′ and 36°30′ N latitudes between January 1 and July 31; and (3) all commercial vessels issued a directed shark LAP with gillnet gear on board during the right whale calving season (November 15–March 31), regardless of location. NMFS published the list of approved VMS units for bottom longline or gillnet vessels on April 15, 2004 (69 FR 19979). This list updated the types of available units for pelagic longline vessels.

VMS is required in these fisheries to aid in enforcement and protection of closed areas. The areas were closed to reduce bycatch in HMS fisheries, to aid in rebuilding overfished stocks, and to protect protected species such as North Atlantic right whales. Automatic position reports are required to be submitted on an hourly basis whenever the vessel is at-sea. The placement of VMS units on fishing vessels allows NMFS to determine vessel locations and