

In compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), a final determination has been made that the activity proposed is categorically excluded from the requirement to prepare an environmental assessment or environmental impact statement.

Dated: August 4, 2010.

P. Michael Payne,

Chief, Permits, Conservation and Education Division, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. 2010-19556 Filed 8-6-10; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN: 0648-XY01

New England Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice; public meeting.

SUMMARY: The New England Fishery Management Council's (Council) Herring Advisory Panel (AP) will meet to consider actions affecting New England fisheries in the exclusive economic zone (EEZ).

DATES: The meeting will be held on Wednesday, August 25, 2010, at 9:30 a.m.

ADDRESSES: The meeting will be held at the Sheraton Harborside Hotel, 250 Market Street, Portsmouth, NH 03801; telephone: (603) 431-2300; fax: (603) 433-5649.

Council address: New England Fishery Management Council, 50 Water Street, Mill 2, Newburyport, MA 01950.

FOR FURTHER INFORMATION CONTACT: Paul J. Howard, Executive Director, New England Fishery Management Council; telephone: (978) 465-0492.

SUPPLEMENTARY INFORMATION: The items of discussion in the panel's agenda are as follows:

- Review and provide AP recommendations regarding catch monitoring alternatives under development in Amendment 5 to the Atlantic Herring Fishery Management Plan (FMP); AP discussion may address:
 - quota monitoring and reporting;
 - measures to confirm the accuracy of self-reporting;
 - catch monitoring and control plans (CMCPs);
 - maximized retention;

- measures to maximize sampling and address net slippage;
- observer coverage and portside sampling; and
- measures to require electronic monitoring.

2. Provide AP recommendations regarding measures to address river herring bycatch proposed in Amendment 5;

3. Other business may also be discussed.

Although non-emergency issues not contained in this agenda may come before this group for discussion, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically identified in this notice and any issues arising after publication of this notice that require emergency action under section 305(c) of the Magnuson-Stevens Fishery Conservation and Management Act, provided the public has been notified of the Council's intent to take final action to address the emergency.

Special Accommodations

This meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Paul J. Howard (see **ADDRESSES**) at least 5 days prior to the meeting date.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: August 4, 2010.

Tracey L. Thompson,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2010-19541 Filed 8-6-10; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-822]

Stainless Steel Sheet and Strip in Coils From Mexico; Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: In response to requests from respondent, ThyssenKrupp Mexinox S.A. de C.V. (Mexinox S.A.) and Mexinox USA, Inc. (Mexinox USA) (collectively, Mexinox) and petitioners,¹ the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on stainless

steel sheet and strip in coils (S4 in coils) from Mexico. This administrative review covers imports of subject merchandise from Mexinox S.A. during the period July 1, 2008, to June 30, 2009.

We preliminarily determine that sales of S4 in coils from Mexico have been made below normal value (NV). If these preliminary results are adopted in our final results of this administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties based on the difference between the constructed export price (CEP) and NV. Interested parties are invited to comment on these preliminary results. Parties who submit argument in these proceedings are requested to submit with the argument: (1) A statement of the issues; (2) a brief summary of the argument; and (3) a table of authorities.

DATES: *Effective Date:* August 9, 2010.

FOR FURTHER INFORMATION CONTACT:

Patrick Edwards, Brian Davis, or Angelica Mendoza, 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, (202) 482-7924, or (202) 482-3019, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 27, 1999, the Department published in the **Federal Register** the *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From Mexico*, 64 FR 40560 (July 27, 1999) (*Order*). On July 11, 2008, the Department published a notice entitled *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 74 FR 31406 (July 1, 2009), covering, *inter alia*, S4 in coils from Mexico for the period of review (POR) (*i.e.*, July 1, 2008, through June 30, 2009).

On July 31, 2009, Mexinox requested that the Department conduct an administrative review of Mexinox for the period from July 1, 2008, through June 30, 2009. Also on July 31, 2009, in accordance with 19 CFR 351.213(b)(1), petitioners requested that the Department conduct an administrative review of Mexinox for the period July 1, 2008, through June 30, 2009. On August 25, 2009, the Department published in the **Federal Register** a notice of initiation of this antidumping duty administrative review covering the period July 1, 2008, through June 30,

¹ Petitioners are Allegheny Ludlum Corporation, AK Steel Corporation, and North American Stainless.

2009. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 74 FR 42873 (August 25, 2009). On September 16, 2009, the Department issued an antidumping duty questionnaire to Mexinox. Mexinox submitted its response to section A of the questionnaire (AQR) on October 21, 2009, and the Department received comments from petitioners regarding Mexinox's AQR on November 4, 2009. Mexinox submitted its response to sections B, C, D, and E of the Department's antidumping duty questionnaire (BQR, CQR, DQR, and EQR, respectively) on November 25, 2009. On December 17, 2009, Mexinox submitted factual information for the Department's consideration in the instant review. On December 29, 2009, the Department issued a supplemental questionnaire covering Mexinox's AQR, BQR, and CQR. The Department received comments from petitioners on January 11, 2010,² and January 19, 2010.³ On January 20, 2010, the Department issued an additional supplemental questionnaire covering Mexinox's BQR and CQR. On January 25, 2010, the Department issued a supplemental questionnaire covering Mexinox's DQR. On February 2, 2010, the Department received Mexinox's response to both the Department's December 29, 2009, and January 20, 2010, supplemental questionnaires covering sections A through C (collectively, SQR). On March 9, 2010, the Department received Mexinox's response to the Department's January 25, 2010, supplemental questionnaire covering section D (SDQR). On April 1, 2010, the Department issued a second supplemental questionnaire covering Mexinox's DQR and SDQR.

Because it was not practicable to complete this review within the normal time frame, on April 1, 2010, the Department published in the **Federal Register** a notice extending the time limits for this review. See *Stainless Steel Sheet and Strip in Coils from Mexico; Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 17690 (April 7, 2010). This extension established the deadline for these preliminary results as August 2, 2010.

On April 19, 2010, the Department issued a supplemental questionnaire covering Mexinox's SQR. On April 30, 2010, Mexinox submitted its response to the Department's April 1, 2010, supplemental questionnaire covering

Mexinox's DQR and SDQR (SSDQR). On May 14, 2010, Mexinox submitted its response to the Department's April 19, 2010, supplemental questionnaire (SSQR). On May 27, 2010, the Department issued a supplemental questionnaire covering Mexinox's SSDQR. On June 15, 2010, petitioners submitted comments for the Department's consideration for the preliminary analysis of the sales data submitted by Mexinox in the above-captioned administrative review. On June 18, 2010, the Department received Mexinox's response to the Department's May 27, 2010, supplemental questionnaire (SSSDQR). On July 7, 2010, the Department issued a supplemental questionnaire covering Mexinox's calculation of its indirect selling expense ratio. Mexinox submitted its response to the Department's July 7, 2010, questionnaire on July 21, 2010.

Period of Review

The POR is July 1, 2008, through June 30, 2009.

Scope of the Order

For purposes of the order, the products covered are certain stainless steel sheet and strip in coils. Stainless steel is 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 this order is currently classifiable 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, 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 subject to 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).

In response to comments by interested parties, the Department has determined that certain specialty stainless steel products are also excluded from the scope of the order. These excluded products are 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 for compressors.

² Comments pertained to Mexinox's BQR and CQR.

³ Comments pertained to Mexinox's DQR.

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 between 0.002 and 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."⁴

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 1,390 degrees Celsius and displays a creep

rupture limit of 4 kilograms per square millimeter at 1,000 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."⁵

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."⁶

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).⁷ This steel is similar to ASTM grade 440F, 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 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 square micron. 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."⁸

Date of Sale

Mexinox reported the invoice date as the date of sale for certain sales made in all channels of distribution in both the home and U.S. markets. For a limited number of sales in both the home market and the United States, Mexinox reported the contract date as the date of its sales made pursuant to the binding contract. Specifically, Mexinox stated due to volatile metal prices in recent years, it entered into a binding contract fixing prices and quantities for specified sales of subject merchandise for certain customers. See Mexinox's AQR at pages A-48 through A-49, A-52 through A-53 and A-58. See also Mexinox's SQR at pages 35 through 42.

The Department normally uses invoice date as the date of sale, but may use a date other than the invoice date, if the Department is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale. See 19 CFR 351.401(i). For purposes of this review, we examined whether invoice date, contract date, or another date better represents the date on which the material terms of sale were established for all of Mexinox's sales to customers in the home and U.S. markets. The Department, in reviewing Mexinox's questionnaire responses, found that the material terms of sale for Mexinox' sales are set on the date on which the invoice is issued. See Mexinox's AQR at attachments A-5-B through A-5-D for sample sales documents in the U.S. and home market for each channel of distribution. See also Mexinox's SQR at Attachment A-21-B-1 for the relevant written sales contract and documentation (*i.e.*, list of base prices, analysis of quantities shipped under the contract, sample transaction(s) between Mexinox and its customer(s) who are part of the fixed-price contract.

⁵ "Gilphy 36" is a trademark of Imphy, S.A.

⁶ "Durphynox 17" is a trademark of Imphy, S.A.

⁷ This list of uses is illustrative and provided for descriptive purposes only.

⁸ "GIN4 Mo," "GIN5" and "GIN6" are the proprietary grades of Hitachi Metals America, Ltd.

⁴ "Arnokrome III" is a trademark of the Arnold Engineering Company.

The sales order entered into Mexinox's system at the time of sale may include a provisional price term. However, the sales order acknowledgement sent to the customer after the order is placed does not contain a sales price. Instead, sales prices in both markets are subject to further negotiation up until the time of shipment and invoicing (with the final price included on the invoice). See Mexinox's SQR at page 58.

In its SQR at page A-58, Mexinox states that the price and quantity for its sales made pursuant to the binding, fixed contract are established under the contract with the customer, and do not change between the contract date and the invoicing of material to the customer. However, in reviewing the record, the Department preliminarily finds that the material terms of sale (e.g., price and quantity) are subject to, and in some instances did, change between the contract date and when Mexinox issued invoices to its customers for sales subject to the allegedly binding contract. Specifically, we noted instances in which (1) the contract between Mexinox and its customers did not fix the price (see Mexinox's SQR at page 37, footnote 30 and its SSQR at attachment A-32) and (2) monthly quantities (as noted in the "analysis of quantities shipped under the contract" at Attachment A-21-B-1 of Mexinox's SQR) are not consistent with the terms set forth by the contract.

If an interested party wants the Department to use a different date than invoice date, it must submit information that supports the use of a different date. In the instant review, the Department, for purposes of these preliminary results, finds that Mexinox has not met its burden of proving that the material terms for any of its U.S. sales were set by the contract, and were not subject to change prior to the invoice date. For a detailed discussion of our date of sale analysis, see "Analysis of Data Submitted by ThyssenKrupp Mexinox S.A. de C.V. for the Preliminary Results of the Antidumping Duty Administrative Review on Stainless Steel Sheet and Strip in Coils from Mexico" from Patrick Edwards and Brian Davis, International Trade Compliance Analysts, to the File, dated August 2, 2010 (Preliminary Analysis Memorandum).

Based on all of the above, we preliminarily determine that invoice date is the appropriate date of sale for all of Mexinox's home market and U.S. sales in this administrative review because it represents the date upon which the material terms of sale are established. This is consistent with

previous administrative reviews of this order. See, e.g., *Stainless Steel Sheet and Strip in Coils From Mexico; Preliminary Results of Antidumping Duty Administrative Review and Intent Not To Revoke Order in Part*, 74 FR 39622 (August 7, 2009) (2007-2008 Preliminary Results), unchanged in *Stainless Steel Sheet and Strip in Coils from Mexico; Notice of Amended Final Results of Antidumping Duty Administrative Review*, 75 FR 17122 (April 5, 2010) (2007-2008 Amended Final Results); see also *Stainless Steel Sheet and Strip in Coils From Mexico; Preliminary Results of Antidumping Duty Administrative Review*, 73 FR 45708 (August 6, 2008) (2006-2007 Preliminary Results), unchanged in *Stainless Steel Sheet and Strip in Coils from Mexico; Final Results of Antidumping Duty Administrative Review*, 74 FR 6365 (February 9, 2009) (2006-2007 Final Results), *Stainless Steel Sheet and Strip in Coils from Mexico; Amended Final Results of Antidumping Duty Administrative Review*, 73 FR 14215 (March 17, 2008) (2005-2006 Amended Final Results), and *Stainless Steel Sheet and Strip in Coils from Mexico; Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 35618 (June 21, 2006) (2004-2005 Preliminary Results) unchanged in *Stainless Steel Sheet and Strip in Coils From Mexico; Final Results of Antidumping Duty Administrative Review*, 71 FR 76978 (December 22, 2006) (2004-2005 Final Results).

Sales Made Through Affiliated Resellers

A. U.S. Market

Mexinox USA, a wholly-owned subsidiary of Mexinox S.A., which in turn is a subsidiary of ThyssenKrupp Stainless AG (TKAG) (see Mexinox's AQR at pages A-9 through A-14, A-16 through A-17, A-19 with respect to Mexinox USA and A-18 with respect to Mexinox S.A. and ThyssenKrupp Stainless AG), sold subject merchandise in the United States during the POR to unaffiliated customers. Mexinox USA also made sales of subject merchandise to U.S. affiliate Ken-Mac Metals (Ken-Mac)⁹ which is an operating division of ThyssenKrupp Materials NA, Inc. (*id.* at pages A-14 through A-15, A-17 through A-18, and A-28), which is

⁹ Ken-Mac is an affiliated service center located in the United States which purchases S4 in coils produced by Mexinox S.A. and then resells the merchandise (after, in some instances, further manufacturing) to unaffiliated U.S. customers. See Mexinox's AQR at pages A-14 through A-15, A-17 through A-18, and A-28.

itself a wholly-owned subsidiary of ThyssenKrupp USA, Inc. (*id.* at page A-28), the primary holding company for TKAG in the U.S. market (*id.*). For purposes of these preliminary results of review, we have included both Mexinox USA's and Ken-Mac's sales of subject merchandise to unaffiliated customers in the United States in our margin calculation.

B. Home Market

Mexinox Trading, S.A. de C.V. (Mexinox Trading), a subsidiary of Mexinox S.A., resold the foreign like product, as well as other merchandise, in the home market during the POR. See Mexinox's AQR at page A-20. Mexinox S.A.'s sales to Mexinox Trading represented a small portion of Mexinox S.A.'s total sales of the foreign like product in the home market and constituted less than five percent of all home market sales. See, e.g., Mexinox's AQR at page A-3. Because sales to Mexinox Trading of the foreign like product were below the five percent threshold established under 19 CFR 351.403(d), we did not require Mexinox S.A. to report Mexinox Trading's downstream sales to its first unaffiliated customer. This is consistent with the most recently completed administrative reviews of S4 in coils from Mexico. See, e.g., *2007-2008 Preliminary Results*, 74 FR 39626, unchanged in *2007-2008 Amended Final Results*; see also *2006-2007 Preliminary Results*, 74 FR 45711, unchanged in *2006-2007 Final Results*; see also *Stainless Steel Sheet and Strip in Coils from Mexico; Preliminary Results of Antidumping Duty Administrative Review*, 72 FR 43600, 43602 (August 6, 2007) (2005-2006 Preliminary Results), unchanged in *Stainless Steel Sheet and Strip in Coils from Mexico; Final Results of Antidumping Duty Administrative Review*, 73 FR 7710 (February 11, 2008) (2005-2006 Final Results), and *2005-2006 Amended Final Results*, 71 FR 35620 and accompanying Issues and Decision Memorandum at Comment 2.

Fair Value Comparisons

To determine whether sales of S4 in coils from Mexico to the United States were made at less than fair value (LTFV), we compared CEP sales made in the United States by both Mexinox USA and Ken-Mac to unaffiliated purchasers to NV as described in the "Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(2) of the Tariff Act of 1930, as amended (the Act), we compared individual CEPs to monthly weighted-average NVs. As we

are using a quarterly costing approach as described in the "Normal Value" section below, we have not made price-to-price comparisons outside of a quarter in order to lessen the distortive effect of comparing non-contemporaneous sales prices during a period of significantly changing costs.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by Mexinox covered by the description in the "Scope of the Order" section above, and sold in the home market during the POR, to be foreign like product for purposes of determining appropriate product comparisons to U.S. sales. We relied on nine characteristics to match U.S. sales of subject merchandise to comparison sales of the foreign like product (listed in order of priority): (1) Grade; (2) cold/hot rolled; (3) gauge; (4) surface finish; (5) metallic coating; (6) non-metallic coating; (7) width; (8) temper; and (9) edge trim. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics and reporting instructions listed in the Department's original September 16, 2009, questionnaire.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we base NV on sales made in the comparison market at the same level of trade (LOT) as the export transaction. The NV LOT is based on the starting price of sales in the home market or, when NV is based on constructed value (CV), that of the sales from which selling, general, and administrative (SG&A) expenses and profit are derived. With respect to CEP transactions in the U.S. market, the CEP LOT is the level of the constructed sale from the exporter to the importer. See *Mittal Steel USA, Inc. v. United States*, 2007 Ct. Int'l Trade Lexis 138, at *25 (Ct. Int'l Trade, August 1, 2007).

To determine whether NV sales are at a different LOT than CEP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the customer. See 19 CFR 351.412(c)(2). If the comparison-market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make a LOT adjustment under section

773(a)(7)(A) of the Act. For CEP sales, if the NV level is at a more advanced stage of distribution than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). See, e.g., *Final Determination of Sales at Less Than Fair Value: Greenhouse Tomatoes From Canada*, 67 FR 8781 (February 26, 2002) and accompanying Issues and Decision Memorandum at Comment 8; see also *Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products From Brazil; Preliminary Results of Antidumping Duty Administrative Review*, 70 FR 17406, 17410 (April 6, 2005), unchanged in *Notice of Final Results of Antidumping Duty Administrative Review: Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products From Brazil*, 70 FR 58683 (October 7, 2005). 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 1301, 1314–1315 (Fed. Cir. 2001). We expect that if the claimed LOTs are the same, the functions and activities of the seller should be similar. Conversely, if a party claims the 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 Antidumping Duty Administrative Review*, 65 FR 30068 (May 10, 2000) and accompanying Issues and Decision Memorandum at Comment 6.

We obtained information from Mexinox regarding the marketing stages involved in making its reported home market and U.S. sales to both affiliated and unaffiliated customers. Mexinox provided a description of all selling activities performed, along with a flowchart and tables comparing the LOTs among each channel of distribution and customer category for both markets. See Mexinox's AQR at A–40 through A–41 and Attachments A–4–B and A–4–C; see also Mexinox's SQR at pages 19 through 20 for an explanation as to how Mexinox classified its claimed levels of activity; see also Mexinox's SQR at pages 20 through 27 for supporting documentation that demonstrates Mexinox provided claimed selling expenses at the stated level of frequency shown in Attachment A–4–C of its AQR.

Mexinox sold S4 in coils to end-users and retailers/distributors in the home market and to end-users and distributors/service centers in the

United States. For the home market, Mexinox S.A. identified two channels of distribution described as follows: (1) Direct shipments (*i.e.*, products manufactured to order and shipped directly to customers); and (2) sales through inventory (*i.e.*, sales of products that are made out of inventory or from stock held at remote warehouses or at the customer's premises). For each of these two channels of distribution, Mexinox made sales to affiliated and unaffiliated distributors/retailers and end-users. See Mexinox's AQR at pages A–38 through A–40. We reviewed the intensity of all selling functions Mexinox S.A. claimed to perform for each channel of distribution and customer category. For certain functions, such as: (1) Pre-sale technical assistance; (2) analysis of samples provided by customers; (3) provision of prototypes and trial lots to customers; (4) continuous technical service; (5) price negotiation/customer communications; (6) process customer orders; (7) freight and delivery arrangements; (8) sales calls and visits; (9) international travel; (10) currency risks; (11) warranty services; (12) sales forecasting and market research; and (13) providing rebates, the level of performance for both direct shipments and sales from inventory was identical across all types of customers. Only a few functions exhibited differences, including: (1) inventory maintenance/just-in-time performance; (2) further processing; (3) credit and collection; (4) low volume orders; and (5) shipment of small packages. See Mexinox's AQR at Attachment A–4–C. While we find differences in the levels of intensity performed for some of these functions, such differences are minor and do not establish distinct LOTs in Mexico. Based on our analysis of all of Mexinox S.A.'s home market selling functions, we preliminarily find all home market sales were made at the same LOT, the NV LOT.

We then compared the NV LOT, based on the selling functions associated with the transactions between Mexinox S.A. and its customers in the home market, to the CEP LOT,¹⁰ which is based on the selling functions associated with the transaction between Mexinox S.A. and its affiliated importer, Mexinox USA. Our analysis indicates the selling functions performed for home market customers are either performed at a higher degree of intensity or are greater in number than the selling functions

¹⁰ Mexinox claimed only one LOT for its U.S. sales, *i.e.*, the CEP LOT, which are those sales made by its U.S. affiliate to unaffiliated customers in the United States.

performed for Mexinox USA. See Mexinox's AQR at pages A-42 through A-47 and Attachments A-4-A through A-4-C. For example, in comparing Mexinox's selling functions, we find there are more functions performed in the home market which are not a part of CEP transactions (e.g., pre-sale technical assistance, analysis of samples provided by customer, provision of prototypes and trial lots to customer, continuous technical service, price negotiation/customer communications, inventory maintenance/just-in-time performance, sales calls and visits, international travel, credit and collection, currency risks, warranty services, sales forecasting and market research, and providing rebates). For selling functions performed for both home market sales and CEP sales (e.g., processing customer orders, freight and delivery arrangements, further processing, low volume orders, and shipment of small packages), we find Mexinox S.A. actually performed each activity at a higher level of intensity in the home market. See Mexinox's AQR at Attachment A-4-C. Based on Mexinox's responses, we note that CEP sales from Mexinox S.A. to Mexinox USA generally occur at the beginning of the distribution chain, representing essentially a logistical transfer of inventory that resembles ex-factory sales. See Mexinox's AQR at page A-44 and at Attachment A-4-A. In contrast, sales in the home market (including sales to Mexinox Trading) occur closer to the end of the distribution chain and involve smaller volumes and more customer interaction which, in turn, require the performance of more selling functions. See Mexinox's AQR at pages A-45 and Attachments A-4-B and A-4-C. Based on the above-mentioned information, we preliminarily conclude the NV LOT is at a more advanced stage than the CEP LOT.

Because we found the home market and U.S. sales were made at different LOTs, we examined whether a LOT adjustment or a CEP offset may be appropriate in this review. As we found only one LOT in the home market, it was not possible to make a LOT adjustment to home market sales, because such an adjustment is dependent on our ability to identify a pattern of consistent price differences between the home market sales on which NV is based and home market sales at the LOT of the export transaction. See 19 CFR 351.412(d)(1)(ii). Furthermore, we have no other information that provides an appropriate basis for determining a LOT adjustment. Because the data available

do not form an appropriate basis for making a LOT adjustment, and because the NV LOT is at a more advanced stage of distribution than the CEP LOT, we have preliminarily made a CEP offset to NV in accordance with section 773(a)(7)(B) of the Act.

Constructed Export Price

Mexinox stated it made CEP sales through its U.S. affiliate, Mexinox USA, in the following four channels of distribution: (1) Direct shipments to unaffiliated customers; (2) stock sales from the San Luis Potosi factory; (3) sales to unaffiliated customers through Mexinox USA's warehouse inventory; and (4) sales through Ken-Mac. See Mexinox's AQR at pages A-34 through A-36.

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. We preliminarily find Mexinox properly classified all of its U.S. sales of subject merchandise as CEP transactions because such sales were made in the United States through its U.S. affiliates, Mexinox USA or Ken-Mac, to unaffiliated purchasers. We based CEP on packed prices to unaffiliated purchasers in the United States sold by Mexinox USA or its affiliated reseller, Ken-Mac. We made adjustments for billing adjustments, discounts and rebates, where applicable. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act, including foreign inland freight, foreign brokerage and handling, inland insurance, U.S. customs duties, U.S. inland freight, U.S. brokerage and handling, and U.S. warehousing expenses. As directed by section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (i.e., credit expenses, warranty expenses, and a certain expense of a proprietary nature (see Mexinox's CQR at pages C-49 through C-50)), inventory carrying costs, packing costs, and other indirect selling expenses. We also made an adjustment for profit in accordance with section 772(d)(3) of the Act. We used the expenses as reported by Mexinox made in connection with its U.S. sales, with the exception of the U.S. indirect selling expense ratio which we recalculated. See Preliminary Analysis Memorandum.

For sales in which the material was sent to an unaffiliated U.S. processor, we made an adjustment based on the transaction-specific further-processing expenses incurred by Mexinox USA. In addition, the U.S. affiliated reseller, Ken-Mac, performed some further manufacturing for its sales to unaffiliated U.S. customers. For these sales, we deducted the cost of further processing in accordance with section 772(d)(2) of the Act. In calculating the cost of further manufacturing for Ken-Mac, we relied upon Ken-Mac's reported cost of further manufacturing materials, labor and overhead. We also included amounts for further manufacturing general and administrative expenses (G&A), as reported in Mexinox's cost database submitted in its SSSDQR.

Normal Value

A. Cost Reporting Period

The Department's normal practice is to calculate an annual weighted-average cost for the entire POR. See, e.g., *Notice of Final Results of Antidumping Duty Administrative Review: Certain Pasta From Italy*, 65 FR 77852 (December 13, 2000), and accompanying Issues and Decision Memorandum at Comment 18; see also *Notice of Final Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Canada*, 71 FR 3822 (January 24, 2006), and accompanying Issues and Decision Memorandum at Comment 5 (explaining the Department's practice of computing a single weighted-average cost for the entire period). This methodology is predictable and generally applicable in all proceedings. However, the Department recognizes that possible distortions may result if our normal annual average cost method is used during a period of significant cost changes.

Under these circumstances, in determining whether to deviate from our normal methodology of calculating an annual weighted average cost, the Department has evaluated the case specific record evidence using two primary factors: (1) The change in the cost of manufacturing (COM) experienced by the respondent during the POR must be significant; and, (2) the record evidence must indicate that sales during the shorter averaging periods could be reasonably linked with the cost of production (COP) or constructed value (CV) during the same shorter averaging periods. See *Stainless Steel Plate in Coils From Belgium: Final Results of Administrative Review*, 73 FR 75398, 75399 (December 11, 2008)

(SSPC from Belgium) and *See, e.g., Stainless Steel Sheet and Strip in Coils from Mexico; Final Results of Antidumping Duty Administrative Review*, 75 FR 6627 (February 10, 2010) (2007–2008 Final Results).

a. Significance of Cost Changes

Record evidence shows that Mexinox experienced significant changes in the total COM during the POR and that the changes in COM are attributable to the price volatility for hot rolled stainless steel band (hot band), the main input consumed in the production of the merchandise under consideration. The record shows that hot band prices changed dramatically throughout the POR. Specifically, the record data shows that even after adjusting reported COM to reflect market price for purchases from affiliates, the percentage difference between the high and low quarterly costs for S4 in coils exceeded 25 percent during the POR (*see* section D below for our discussion on adjustments made to hot band purchases from affiliates to reflect market price). As a result, we have determined that for these preliminary results the changes in COM for Mexinox are significant.

b. Linkage Between Cost and Sales Information

The Department also evaluates whether there is evidence of linkage between the cost changes and the sales prices for the given POR. Our definition of linkage does not require direct traceability between specific sales and their specific production cost, but rather relies on whether there are elements which would indicate a reasonable correlation between the underlying costs and the final sales prices levied by the company. These correlative elements may be measured and defined in a number of ways depending on the associated industry, and the overall production and sales processes. In the instant case, we find that the quarterly cost and quarterly sales prices for Mexinox appear to be reasonably correlated during this period of significant cost changes.

In light of the two factors discussed above, we preliminarily find that it is appropriate to rely on a quarterly costing approach with respect to Mexinox. Thus, we used quarterly indexed annual average hot band costs and annual weighted-average fabrication costs in the COP and CV calculations. For our detailed analysis, see Memorandum to Neal M. Halper, “Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination—ThyssenKrupp Mexinox S.A. de C.V.

and Ken-Mac Metals dated August 2, 2010 (Cost Calculation Memorandum).

B. Selection of Comparison Market

To determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is greater than five percent of the aggregate volume of U.S. sales), we compared Mexinox’s volume of home market sales of the foreign like product to the volume of its U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(B) of the Act. Because Mexinox’s aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for subject merchandise, we determined the home market was viable. *See, e.g.*, Mexinox’s SSQR at Attachment B–34 (home market sales database) and at Attachment C–33 (U.S. sales database).

C. Affiliated Party Transactions and Arm’s Length Test

Sales to affiliated customers in the home market not made at arm’s length prices are excluded from our analysis because we consider them to be outside the ordinary course of trade. *See* section 773(f)(2) of the Act; *see also* 19 CFR 351.102(b). Consistent with 19 CFR 351.403(c) and (d) and agency practice, “the Department may calculate NV based on sales to affiliates if satisfied that the transactions were made at arm’s length.” *See China Steel Corp. v. United States*, 264 F. Supp. 2d 1339, 1365 (CIT 2003). To test whether the sales to affiliates were made at arm’s length prices, we compared, on a model-specific basis, the starting prices of sales to affiliated and unaffiliated customers, net of all direct selling expenses, billing adjustments, discounts, rebates, movement charges, and packing. Where prices to the affiliated party are, on average, within a range of 98 to 102 percent of the price of identical or comparable merchandise to the unaffiliated parties, we determine that the sales made to the affiliated party are at arm’s length. *See Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186, 69194 (November 15, 2002). In this review, however, we found that prices to affiliated parties were, on average, outside of the 98 to 102 percent of the price of identical or comparable subject merchandise sold to unaffiliated parties. Accordingly, we found both affiliated home market customers failed the arm’s length test and, in accordance with the Department’s practice, we

excluded sales to these affiliates from our analysis.

D. Cost of Production Analysis

Because we disregarded sales of certain products made at prices below the COP in the most recently completed review of S4 in coils from Mexico (*see 2006–2007 Preliminary Results*, 73 FR 45714, unchanged in *2006–2007 Final Results*), we had reasonable grounds to believe or suspect that sales of the foreign like product under consideration for the determination of NV in this review for Mexinox may have been made at prices below the COP, as provided by section 773(b)(2)(A)(ii) of the Act. Pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of sales by Mexinox.

In accordance with section 773(b)(3)(A) of the Act, we calculated COP based on the sum of Mexinox’s cost of materials, fabrication or other processing employed in producing the foreign like product. In accordance with section 773(b)(3)(B) and (C) of the Act, we included amounts for SG&A expenses and packing costs. We relied on home market sales and COP information provided by Mexinox in its questionnaire responses, except as noted below:

For these preliminary results, we evaluated the transfer prices between Mexinox and its affiliated hot band coil suppliers on a grade-specific basis. For certain grades of hot band, all three elements of the major input analysis were available, for others only the affiliated supplier’s cost of production was available. These grades of hot-rolled stainless steel coil (in which all three elements of the major input analysis were available) account for the majority of volume of hot-rolled stainless steel coil that Mexinox purchased from its foreign affiliates, ThyssenKrupp Nirosta North America, Inc. (TKNNA) and ThyssenKrupp Acciai Speciali Terni USA, Inc. (TKAST USA) during the POR. As necessary, we adjusted the reported costs to reflect the higher of transfer prices, COP, or market prices (where available) of hot-rolled stainless steel coil. *See* Cost Calculation Memorandum.

Additionally, we increased the G&A denominator for the major input adjustments noted above because we applied the revised G&A expense ratio to the revised total cost of manufacturing. *See* Cost Calculation Memorandum.

We revised TKAG’s cost of goods sold (COGS), the denominator of the financial expense ratio, to exclude packing expenses. We estimated the packing costs by calculating the

percentage that Mexinox's packing costs represents of its COGS and applying the result to TKAG's COGS. Further, we increased this denominator for the major input adjustment. See Cost Calculation Memorandum.

Finally, we note that because we found that costs changed significantly, even after applying the major input adjustment during the POR, we have relied on Mexinox's quarterly cost and have applied the Department's alternative cost methodology of calculating quarterly average cost for the POR for the preliminary results. See Cost Calculation Memorandum at pages 2–3. In determining whether to disregard home market sales made at prices below the COP, we examine, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether such sales were made within an extended period of time and in substantial quantities, and whether such sales were made at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade. As noted in section 773(b)(1)(D) of the Act, prices are considered to provide for recovery of costs if such prices are above the weighted average per-unit COP for the period of investigation or review. In the instant case, we have relied on a quarterly costing approach for these preliminary results. Similar to that used by the Department in cases of high-inflation (see, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon-Quality Steel Plate Products from Indonesia*, 64 FR 73164 (December 29, 1999) at Comment 1), this methodology restates the quarterly costs on a year-end equivalent basis, calculates an annual weighted-average cost for the POR and then restates it to each respective quarter. We find that this quarterly costing method meets the requirements of section 773(b)(2)(D) of the Act.

Where less than 20 percent of the respondent's home market sales of a given model are at prices below the COP, we do not disregard any below-cost sales of that model because we determine that the below-cost sales are not made within an extended period of time and in "substantial quantities." Where 20 percent or more of the respondent's home market sales of a given model are at prices less than the COP, we disregarded the below-cost sales; because: (1) They were made within an extended period of time in "substantial quantities," in accordance with sections 773(b)(2)(B) and (C) of the Act; and (2) based on our comparison of prices to the weighted-average COPs for the POR, they were at prices which

would not permit the recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act.

Our cost test for Mexinox revealed that, for home market sales of certain models, less than 20 percent of the sales of those models were at prices below the COP. We therefore retained all such sales in our analysis and used them as the basis for determining NV. Our cost test also indicated that for home market sales of other models, more than 20 percent were sold at prices below the COP within an extended period of time and at prices which would not permit the recovery of all costs within a reasonable period of time. Thus, in accordance with section 773(b)(1) of the Act, we excluded these below-cost sales from our analysis and used the remaining above-cost sales as the basis for determining NV.

D. Constructed Value

In accordance with section 773(e) of the Act, we calculated CV based on the sum of Mexinox's material and fabrication costs, SG&A expenses, profit, and U.S. packing costs. We calculated the COP component of CV as described above in the "Cost of Production Analysis" section of this notice. In accordance with section 773(e)(2)(A) of the Tariff Act, we based SG&A expenses and profit on the amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

E. Price-to-Price Comparisons

We calculated NV based on prices to unaffiliated customers. Mexinox S.A. reported home market sales in Mexican pesos, but noted certain home market sales were invoiced in U.S. dollars during the POR. See Mexinox's BQR at pages B–27 and B–28. In our margin calculations, we used the currency of the sale invoice at issue and applied the relevant adjustments in the actual currency invoiced or incurred by Mexinox. We accounted for billing adjustments, discounts, and rebates, where appropriate. We also made deductions, where appropriate, for foreign inland freight, insurance, handling, and warehousing, pursuant to section 773(a)(6)(B) of the Act. In addition, we made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise compared pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. We also made adjustments for differences in circumstances of sale (COS) in accordance with section

773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. In particular, we made COS adjustments for imputed credit expenses and warranty expenses. As noted above in the "Level of Trade" section of this notice, we also made an adjustment for the CEP offset in accordance with section 773(a)(7)(B) of the Act. Finally, we deducted home market packing costs and added U.S. packing costs in accordance with sections 773(a)(6)(A) and (B) of the Act.

We used Mexinox's home market adjustments and deductions as reported, except for certain handling expenses and imputed credit expenses. We have recalculated the handling expenses incurred by Mexinox's home market affiliate, Mexinox Trading, and applied the revised ratio to those home market sales for which Mexinox reported a handling expense. We calculated imputed credit expenses based on the short-term borrowing rate associated with the currency of each home market sale transaction. See Preliminary Analysis Memorandum. Our methodology for calculating handling charges and imputed credit expenses is consistent with past administrative reviews of this case. See, e.g., *2007–2008 Final Results* at 6629–6630, unchanged in *2007–2008 Amended Final Results*; see also *2006–2007 Final Results* and accompanying Issues and Decision Memorandum at Comment 1; see also *2005–2006 Preliminary Results*, 72 FR 43605, *2005–2006 Final Results*, and *2005–2006 Amended Final Results*; see also *2004–2005 Preliminary Results*, 71 FR 35623 (unchanged in *2004–2005 Final Results*).

F. Price-to-CV Comparisons

Where we were unable to find a home market match of such or similar merchandise, in accordance with section 773(a)(4) of the Act, we based NV on CV. Where appropriate, we made adjustments to CV in accordance with section 773(a)(8) of the Act.

Currency Conversion

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

Preliminary Results of Review

As a result of our review, we preliminarily find that the following weighted-average dumping margin exists for the period July 1, 2008, through June 30, 2009:

Manufacturer/Exporter	Weighted average margin (percentage)
ThyssenKrupp Mexinox S.A. de C.V..	14.38 percent.

Public Comment

The Department intends to disclose calculations performed within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). An interested party may request a hearing within 30 days of publication of these preliminary results. See 19 CFR 351.310(c). Any hearing, if requested, will be held 37 days after the date of publication or, if that date falls on a holiday or weekend, the first business day thereafter, unless the Department alters the date per 19 CFR 351.310(d). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review. See 19 CFR 351.309(c). Rebuttal briefs limited to issues raised in the case briefs may be filed no later than five days after the time limit for submitting the case briefs. See 19 CFR 351.309(d). Parties who submit argument in these proceedings are requested to submit with the argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Further, parties submitting case briefs and/or rebuttal briefs are requested to provide the Department with an additional copy of the public version of any such argument on diskette. The Department intends to issue final results of this administrative review, including the results of our analysis of the issues in any such argument or at a hearing, within 120 days of publication of these preliminary results, unless extended. See section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Duty Assessment

Upon completion of this administrative review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(1), we will calculate importer-specific *ad valorem* assessment rates for the merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales made during the POR to the total customs value of the sales used to calculate those duties. The total customs value is based on the entered value reported by Mexinox for all U.S. entries of subject merchandise initially entered for consumption to the United States made during the POR. See Preliminary Analysis Memorandum. In

accordance with 19 CFR 356.8(a), the Department intends to issue assessment instructions to CBP on or after 41 days following the publication of the final results of review.

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

Cash Deposit Requirements

Furthermore, the following cash deposit requirements will be effective for all shipments of S4 in coils from Mexico 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 the reviewed company will be the rate established in the final results of this review, except if the rate is less than 0.50 percent (*de minimis* within the meaning of 19 CFR 351.106(c)(1)), the cash deposit will be zero; (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, 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 the all-others rate of 30.85 percent, which is the all-others rate established in the LTFV investigation. See *Order*. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the

Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

Dated: August 2, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 2010-19579 Filed 8-6-10; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-405-803]

Purified Carboxymethylcellulose from Finland; Notice of Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: In response to requests from Aqualon Company, a division of Hercules Inc., (the petitioner) and respondents CP Kelco Oy and CP Kelco U.S., Inc. (collectively, CP Kelco), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on purified carboxymethylcellulose (CMC) from Finland. The review covers exports of the subject merchandise to the United States produced by CP Kelco. The period of review (POR) is July 1, 2008, through June 30, 2009.

We preliminarily find that CP Kelco made sales at less than normal value (NV) during the POR. If these preliminary results are adopted in our final results of this review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties based on differences between the export price (EP) or constructed export price (CEP) and NV.

EFFECTIVE DATE: August 9, 2010.

FOR FURTHER INFORMATION CONTACT: Tyler Weinhold or Robert James, 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) 482-1121 or (202) 482-0649, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department published the antidumping duty order on CMC from