

“Administrative Review of the Antidumping Order on Carbazole Violet 23 Pigment from the People’s Republic of China; Toyo Ink Mfg. Co., Ltd.” dated March 24, 2011; *see also* letter from Toyo to the Secretary of Commerce entitled “Administrative Review of the Antidumping Order on Carbazole Violet 23 Pigment from the People’s Republic of China; Response of Toyo Ink Mfg. Co., Ltd. To Questionnaire of January 28, 2011” dated February 7, 2011.

The Department’s CBP data query confirmed, and we preliminarily conclude, that there were no reviewable entries of the subject merchandise during the period covered by this administrative review. We received no other requests for review of the Order for this POR. Therefore, in accordance with 19 CFR 351.213(d)(3), we preliminarily determine to rescind this review.

### Comments

Interested parties are invited to comment on these preliminary results and may submit case briefs and/or written comments within 30 days of the date of publication of this notice, unless otherwise notified by the Department. *See* 19 CFR 351.309(c)(ii). Rebuttal briefs, limited to issues raised in the case briefs, will be due five days later, pursuant to 19 CFR 351.309(d). Parties who submit case or rebuttal briefs in these proceedings are requested to submit with each argument: (1) A statement of the issue; and (2) a brief summary of the argument. Parties are requested to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Additionally, parties are requested to provide their case and rebuttal briefs in electronic format (preferably in Microsoft Word).

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 within 30 days of the date of publication of this notice. Requests should contain: (1) The party’s name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. *See* 19 CFR 351.310(c). Issues raised in the hearing will be limited to those raised in case and rebuttal briefs. The Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs, not later than 120 days after these preliminary results are issued, unless the final results are extended. *See* 19 CFR 351.213(h).

### 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 these preliminary results in accordance with sections 751(a)(2)(B) and 777(i) of the Tariff Act of 1930, as amended, and 19 CFR 351.213(h) and 351.221(b)(4).

Dated: August 29, 2011.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A–580–816]

#### **Certain Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Preliminary Results of the Seventeenth Antidumping Duty Administrative Review**

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

**SUMMARY:** In response to timely requests, the Department of Commerce (the Department) is conducting the seventeenth administrative review of the antidumping order on corrosion-resistant carbon steel flat products (CORE) from the Republic of Korea<sup>1</sup> (Korea). This review covers eight manufacturers and/or exporters (collectively, the respondents) of the subject merchandise: LG Chem., Ltd. (LG Chem); Haewon MSC Co. Ltd. (Haewon); Dongbu Steel Co., Ltd. (Dongbu); Hyundai HYSCO (HYSCO); Pohang Iron & Steel Co., Ltd. (POSCO) and Pohang Coated Steel Co., Ltd. (POCOS) (collectively, POSCO); Dongkuk Industries Co., Ltd. (Dongkuk); LG Hausys, Ltd. (Hausys); and Union Steel Manufacturing Co., Ltd. (Union). The period of review (POR) is August 1, 2009, through July 31, 2010. We preliminarily determine that Union and

Dongbu made sales of subject merchandise at less than normal value (NV). We preliminarily determine that HYSCO and POSCO have not made sales below NV.

In addition, based on the preliminary results for the respondents selected for individual review, we have preliminarily determined a margin for those companies that were not selected for individual review. If these preliminary results are adopted in the final results of this administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries of subject merchandise during the POR.

**DATES:** *Effective Date:* September 6, 2011.

#### **FOR FURTHER INFORMATION CONTACT:**

Victoria Cho (POSCO), Dennis McClure (Union), Christopher Hargett (HYSCO) or Cindy Robinson (Dongbu), AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–5075, (202) 482–5973, (202) 482–4161 and (202) 482–3797, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On August 19, 1993, the Department published the antidumping order on CORE from Korea. *See Antidumping Duty Orders on Certain Cold-Rolled Carbon Steel Flat Products and Certain Corrosion-Resistant Carbon Steel Flat Products from Korea*, 58 FR 44159 (August 19, 1993) (*Orders on Certain Steel from Korea*). On August 2, 2010, we published in the **Federal Register** the *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 75 FR 45094 (August 2, 2010). On August 30, and 31, 2010, respondents and petitioners<sup>2</sup> requested a review of Dongbu, HYSCO, POSCO, Union, Dongkuk, Haewon, Hausys, and LG Chem. The Department initiated a review of each of the companies for which a review was requested. *See Initiation Notice*, 75 FR 60076, 60077.

On October 29, 2010, the Department selected Dongbu, POSCO, HYSCO and Union as mandatory respondents in this review. *See Memorandum from Dennis McClure, International Trade Compliance Analyst, through James*

<sup>1</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 75 FR 60076, 60077 (September 29, 2010) (*Initiation Notice*).

<sup>2</sup> Petitioners are the United States Steel Corporation (U.S. Steel), Nucor Corporation (Nucor), and Mittal Steel USA ISG, Inc. (Mittal Steel USA).

Terpstra, Program Manager, to Melissa Skinner, Director, Office 3, entitled "17th Antidumping Duty Administrative Review of Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Selection of Respondents for Individual Review," dated October 29, 2010.

During the most recently completed segments of the proceeding in which HYSCO, Dongbu, POSCO and Union participated,<sup>3</sup> the Department disregarded sales below the cost of production (COP) for each of these companies. Therefore, pursuant to section 773(b)(2)(A)(ii) of the Tariff Act of 1930, as amended (the Act), we had reasonable grounds to believe or suspect that sales by these companies of the foreign like product under consideration for the determination of NV in this review were made at prices below the COP. We instructed HYSCO, Dongbu, POSCO and Union to respond to sections A through E of the initial questionnaire,<sup>4</sup> which we issued on October 29, 2010.

#### HYSCO

On December 20, 2010, HYSCO submitted its section A response to the Department's initial questionnaire. On January 18, 2011, HYSCO submitted its sections B through D response to the Department's initial questionnaire. HYSCO submitted its response to the Department's supplemental questionnaires for sections A through D on May 22, 2011, sections A through C and July 20, 2011, and August 3, 2011.

#### Union

On January 20, 2011, Union submitted its section A response to the initial questionnaire. On January 25, 2011, Union submitted its response to sections B through D of the Department's questionnaire. On April 21, 2011, and July 14, 2011, Union submitted its responses to the Department's supplemental questionnaires for sections A through C. On June 6, 2011,

and July 21, 2011, Union submitted its response to the Department's supplemental questionnaire for section D.

#### POSCO

On December 20, 2010 and January 5, 2011, POSCO submitted its sections A through D response to the Department's initial questionnaire. On May 4, 2011 and August 3, 2011, POSCO submitted its response to the Department's supplemental questionnaires for sections A through C, respectively. On April 1, 2011, POSCO submitted its response to the Department's supplemental questionnaire for section D.

#### Dongbu

On December 20, 2010, and January 14, 2011, Dongbu submitted its section A and sections B through D responses to the Department's initial questionnaire. On February 22, 2011, Dongbu submitted its response to the Department's section D supplemental questionnaire. Dongbu submitted its response to the Department's first and second supplemental questionnaires for sections A through C on April 27, 2011, and July 12, 2011, respectively. On March 21, 2011, Dongbu submitted a reconciliation of its home market and U.S. sales databases.

#### Period of Review

The POR covered by this review is August 1, 2009, through July 31, 2010.

#### Scope of the Order

This order covers flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030,

7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, and 7217.90.5090. Included in the order are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process including products which have been beveled or rounded at the edges (*i.e.*, products which have been "worked after rolling"). Excluded from this order are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating. Also excluded from this order are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness. Also excluded from this order are certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio.

These HTSUS item numbers are provided for convenience and customs purposes. The written descriptions remain dispositive.

#### Notice of Intent To Revoke Order, In Part

On August 31, 2010, the POSCO Group requested revocation of the order on CORE from Korea as it pertains to its sales.

Under section 751(d)(1) of the Act, the Department "may revoke, in whole or in part" an antidumping duty order upon completion of a review. Although Congress has not specified the procedures that the Department must follow in revoking an order, the Department has developed a procedure for revocation that is set forth at 19 CFR 351.222. Under 19 CFR 351.222(b)(2), the Department may revoke an antidumping duty order in part if it concludes that (A) an exporter or producer has sold the merchandise at

<sup>3</sup> See *Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Final Results of the Sixteenth Administrative Review*, 76 FR 15291 (March 21, 2011) (*CORE 16 Final Results*); *Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Final Results of the Fifteenth Administrative Review*, 75 FR 13490 (March 22, 2010) (*CORE 15 Final Results*); *Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Final Results of the Fourteenth Administrative Review and Partial Rescission*, 74 FR 11082 (March 16, 2009) (*CORE 14 Final Results*).

<sup>4</sup> Section A: Organization, Accounting Practices, Markets and Merchandise; Section B: Comparison Market Sales; Section C: Sales to the United States; Section D: Cost of Production and Constructed Value; Section E: Further Manufacturing.

not less than normal value for a period of at least three consecutive years, (B) the exporter or producer has agreed in writing to its immediate reinstatement in the order if the Secretary concludes that the exporter or producer, subsequent to the revocation, sold the subject merchandise at less than normal value, and (C) the continued application of the antidumping duty order is no longer necessary to offset dumping. Section 351.222(b)(3) of the Department's regulations states that, in the case of an exporter that is not the producer of subject merchandise, the Department normally will revoke an order in part under 19 CFR 351.222(b)(2) only with respect to subject merchandise produced or supplied by those companies that supplied the exporter during the time period that formed the basis for revocation.

A request for revocation of an order in part for a company previously found dumping must address three elements. The company requesting the revocation must do so in writing and submit the following statements with the request: (1) The company's certification that it sold the subject merchandise at not less than normal value during the current review period and that, in the future, it will not sell at less than normal value; (2) the company's certification that, during each of the consecutive years forming the basis of the request, it sold the subject merchandise to the United States in commercial quantities; (3) the agreement to reinstatement in the order if the Department concludes that, subsequent to revocation, the company has sold the subject merchandise at less than normal value. See 19 CFR 351.222(e)(1). We preliminarily determine that the request dated August 31, 2010, from the POSCO Group meets all of the criteria under 19 CFR 351.222(e)(1).

With regard to the criteria of 19 CFR 351.222(b)(2), our preliminary margin calculations show that the POSCO Group sold CORE at not less than normal value during the current review period. See "Preliminary Results of Reviews" section below. In addition, it sold CORE at not less than normal value in the two previous administrative reviews in which it was reviewed. See *CORE 15 Final Results* and also see *CORE 16 Final Results*. Based on our examination of the sales data submitted by the POSCO Group, we preliminarily determine that the POSCO Group sold the subject merchandise in the United States in commercial quantities in each of the consecutive years cited by the POSCO Group to support its request for revocation. See the POSCO Group's

August 31, 2011, Calculation Memorandum (the POSCO Group's Calc Memo). Thus, we preliminarily find that the POSCO Group had zero or *de minimis* dumping margins for the last three consecutive years and sold in commercial quantities all three years. Also, we preliminarily determine that application of the antidumping duty order to the POSCO Group is no longer warranted for the following reasons: (1) The company had zero or *de minimis* margins for a period of at least three consecutive years; (2) the company has agreed to immediate reinstatement of the order if we find that it has resumed making sales at less than fair value; (3) the continued application of the order is not otherwise necessary to offset dumping.

Therefore, we preliminarily determine that the POSCO Group qualifies for revocation from the order on CORE from Korea pursuant to 19 CFR 351.222(b)(2) and, thus, we preliminarily determine to revoke the order with respect to CORE from Korea exported and/or sold to the United States by the POSCO Group. If our intent to revoke results in revocation of the order in part with respect to merchandise exported and/or sold by the POSCO Group, the proposed effective date of the revocation is August 1, 2010.

#### Product Comparisons

In accordance with section 771(16) of the Act, we considered all CORE products produced by the respondents, covered by the scope of the order, and sold in the home market during the POR to be foreign like products for the purpose of determining appropriate product comparisons to CORE sold in the United States.

Where there were no sales in the ordinary course of trade 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 listed in Appendix V of the Department's antidumping questionnaire. In making the product comparisons, we matched foreign like products based on the Appendix V physical characteristics reported by each respondent.

#### Normal Value Comparisons

To determine whether sales of CORE by the respondents to the United States were made at less than NV, we compared the Export Price (EP) or Constructed Export Price (CEP) to the NV, as described in the "Export Price/Constructed Export Price" and "Normal Value" sections of this notice. In accordance with section 777A(d)(2) of

the Act, we calculated monthly weighted-average prices for NV and compared these to individual U.S. transactions.

#### Export Price/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. We calculated EP when the merchandise was sold by the producer or exporter outside of 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. We calculated CEP for those sales where a person in the United States, affiliated with the foreign exporter or acting for the account of the exporter, made the sale to the first unaffiliated purchaser in the United States of the subject merchandise. We based EP and CEP on the packed prices and the applicable delivery terms to the first unaffiliated customer in, or for exportation to, the United States.

In accordance with section 772(a) of the Act, we calculated EP for a number of Union's U.S. sales because these sales were made before the date of importation and were sales directly to unaffiliated customers in the United States, and because CEP methodology was not otherwise indicated. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act, which included, where appropriate, foreign inland freight to the port, foreign brokerage, international freight, marine insurance, U.S. inland freight from the port to warehouse, U.S. warehouse expenses, U.S. inland freight from the warehouse to the unaffiliated customer, U.S. brokerage and handling expenses, and U.S. customs duty.

In accordance with section 772(b) of the Act, we calculated CEP where the record established that sales made by HYSCO, POSCO, Dongbu, and Union were made in the United States after importation. HYSCO's, POSCO's, Dongbu's and Union's respective affiliates in the United States (1) took title to the subject merchandise and (2) invoiced and received payment from the unaffiliated U.S. customers for their sales of the subject merchandise to those U.S. customers. Thus, where appropriate, the Department determined that these U.S. sales should be classified as CEP transactions under section 772(b) of the Act. Where appropriate, we made deductions from the starting price for foreign inland freight to the port, foreign brokerage, international freight, marine insurance, U.S. inland freight from the port to warehouse, U.S. warehouse expenses, U.S. inland freight from the

warehouse to the unaffiliated customer, U.S. brokerage and handling expenses, U.S. customs duty, credit expenses, warranty expenses, commissions, inventory carrying costs incurred in the United States, and other indirect selling expenses in the United States associated with economic activity in the United States. See sections 772(c)(2)(A) and 772(d)(1) of the Act. Pursuant to section 772(d)(3) of the Act, we made an adjustment for CEP profit. Where appropriate, we added interest revenue to the gross unit price.

#### **HYSCO's Entries of Subject Merchandise That Were Further Manufactured and Sold as Non-Subject Merchandise in the United States**

In its section A questionnaire response, HYSCO requested that the Department excuse it from reporting information for certain POR sales of subject merchandise imported by its wholly owned U.S. subsidiary, HYSCO America Company (HAC), that were further manufactured after importation and sold as non-subject merchandise in the United States, claiming that determining CEP for sales through HAC would be unreasonably burdensome.

Section 772(e) of the Act provides that when the value added in the United States by an affiliated party is likely to exceed substantially the value of the subject merchandise, the Department shall use one of the following prices to determine CEP if there is a sufficient quantity of sales to provide a reasonable basis of comparison and the use of such sales is appropriate: (1) The price of identical subject merchandise sold by the exporter or producer to unaffiliated person; or (2) the price of other subject merchandise sold by the exporter or producer to an unaffiliated person.

The record evidence shows that the value added by the affiliated party to the subject merchandise after importation in the United States was significantly greater than the 65 percent threshold we use in determining whether the value added in the United States by an affiliated party substantially exceeds the value of the subject merchandise. See 19 CFR 351.402(c)(2). We then considered whether there were sales of identical subject merchandise or other subject merchandise sold in sufficient quantities by the exporter or producer to an unaffiliated person that could provide a reasonable basis of comparison. In addition to the sales to HAC that were further manufactured, HYSCO also had CEP sales of similar, but not identical, subject merchandise to unaffiliated customers in the United States in back-to-back transactions through another HYSCO affiliate in the

United States, Hyundai HYSCO USA (HHU).

The appropriate methodology for determining the CEP for sales whose value has been substantially increased through U.S. further manufacturing generally must be made on a case-by-case basis. In this instance, we find that there is a reasonable quantity of sales of subject merchandise to unaffiliated parties for comparison purposes. See HYSCO Calc Memo. Furthermore, there is no other reasonable methodology for determining CEP for HAC's CEP sales. Therefore, we relied on HYSCO's other sales of similar merchandise to unaffiliated parties in the United States as the basis for calculating CEP for HYSCO's sales through HAC, which is consistent with the previous administrative reviews of CORE from Korea.<sup>5</sup>

#### **Normal Value**

Based on a comparison of the aggregate quantity of home market and U.S. sales, we determined that the quantity of the foreign like product sold in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States, pursuant to section 773(a)(1) of the Act. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade. We increased NV by U.S. packing costs in accordance with section 773(a)(6)(A) of the Act.

Where appropriate, we deducted inland freight from the plant to distribution warehouse, warehouse expense, inland freight from the plant/warehouse to customer, and packing, pursuant to section 773(a)(6)(B) of the Act. Additionally, we made adjustments to NV, where appropriate, for credit and warranty expenses, in accordance with section 773(a)(6)(C)(iii) of the Act. Where appropriate, we added interest revenue and applied billing adjustments to the gross unit price.

<sup>5</sup> See, e.g., *Certain Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Notice of Preliminary Results of the Sixteenth Antidumping Duty Administrative Review*, 75 FR 55769 (September 14, 2010) (unchanged in *CORE 16 Final Results*); *Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Preliminary Results of the Antidumping Duty Administrative Review*, 74 FR 46110, 46112 (September 8, 2009) (unchanged in *CORE 15 Final Results*); *Certain Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Notice of Preliminary Results of the Antidumping Duty Administrative Review*, 73 FR 52267, 52270 (September 9, 2008) (unchanged in *CORE 14 Final Results*).

We also made adjustments for Union, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred in the home market or the United States where commissions were granted on sales in one market but not in the other. Specifically, where commissions are incurred in one market, but not in the other, we will limit the amount of such allowance to the amount of either the selling expenses incurred in the one market or the commissions allowed in the other market, whichever is less. See 19 CFR 351.410(e).

For purposes of calculating NV, section 771(16) of the Act defines "foreign like product" as merchandise which is either (1) identical or (2) similar to the merchandise sold in the United States. When no identical products are sold in the home market, the products which are most similar to the product sold in the United States are identified. For the non-identical or most similar products which are identified based on the Department's product matching criteria, an adjustment is made to the NV for differences in cost attributable to differences in the actual physical differences between the products sold in the United States and the home market. See 19 CFR 351.411 and section 773(a)(6)(C)(ii) of the Act.

#### **Cost of Production**

As stated above, in the most recently completed segments of the proceeding in which HYSCO, POSCO, Dongbu and Union participated, the Department found and disregarded sales that failed the cost test for each of these companies. Therefore, for this review, the Department has reasonable grounds to believe or suspect that sales of the foreign like products under consideration for the determination of NV 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, the Department conducted a COP investigation of sales in the home market by HYSCO, POSCO, Dongbu and Union.

#### **A. Calculation of Cost of Production**

We calculated the COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for SG&A expenses and packing, in accordance with section 773(b)(3) of the Act.

Except as noted below, the Department relied on the COP data submitted by HYSCO, POSCO, Union and Dongbu in their supplemental section D questionnaire responses for the COP calculation. For the purposes of calculating Union's general and

administrative (G&A) expense ratio, we excluded an item of non-operating income. See Union Cost Calculation Memo at 3. For control numbers (CONNUMs) where there was no production during the POR and for which a surrogate CONNUM was not assigned by Union, we selected the next similar CONNUM, in accordance with our product characteristics outlined in Appendix V of the questionnaire.

For POSCO, we adjusted the total manufacturing costs to include the beginning inventory variance associated with the semi-finished goods that reentered production during the POR. See Memorandum from Heidi K. Schriefer, Senior Accountant, to Neal M. Halper, Director, Office of Accounting, entitled "Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results—Pohang Iron and Steel Co. Ltd. and Pohang Coated Steel Co., Ltd.," dated August 31, 2011 ("POSCO Cost Calculation Memo").

We calculated temper rolling cost adjustment factors for both temper rolled and non-temper rolled products and applied them to HYSCO's reported cost. Finally we recalculated HYSCO's financial expense ratio to be based on the combined financial statements of Hyundai Motor Corporation. See HYSCO Cost Calculation Memo.

Based on our review of the record evidence, neither Dongbu, HYSCO, POSCO, nor Union, appeared to experience significant changes in the cost of manufacturing during the POR. Therefore, we followed our normal methodology of calculating an annual weighted-average cost.

### B. Test of Comparison Market Sales Prices

As required under section 773(b)(2) of the Act, we compared the quarterly or POR, as appropriate, weighted-average COP to the per-unit price of the comparison market sales of the foreign like product to determine whether these sales had been made at prices below the COP within an extended period of time in substantial quantities, and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. We determined the net comparison market prices for the below cost test by subtracting from the gross unit price any applicable movement charges, discounts, rebates, direct and indirect selling expenses (also subtracted from the COP), and packing expenses.

### C. Results of the COP Test

Pursuant to section 773(b)(2)(C)(i) of the Act, where less than 20 percent of

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 the respondent's home market sales of a given model were 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, 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.

Therefore, for HYSCO, POSCO, Union and Dongbu, we disregarded below-cost sales of a given product of 20 percent or more and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act. See HYSCO, POSCO, Union and Dongbu Cost Calculation Memos.

### Calculation of NV Based on Comparison Market Prices

For those comparison products for which there were sales at prices above the COP for HYSCO, POSCO, Union and Dongbu, we based NV on home market prices. In these preliminary results, we were able to match all U.S. sales to contemporaneous sales, made in the ordinary course of trade, of either an identical or a similar foreign like product, based on the matching characteristics identified in Appendix V of the original questionnaire. We calculated NV based on free on board (FOB) mill or delivered prices to unaffiliated customers, or prices to affiliated customers which were determined to be at arm's length (see discussion below regarding these arm's-length sales). We made deductions, where appropriate, from the starting price for billing adjustments, discounts, rebates, and inland freight. Additionally, we added interest revenue. In accordance with section 773(a)(6) of the Act, we deducted home market packing costs and added U.S. packing costs.

In accordance with section 773(a)(6)(C)(iii) of the Act, we adjusted for differences in the circumstances of sale. These circumstances included differences in imputed credit expenses and other direct selling expenses, such as the expense related to bank charges and factoring. *Id.* We also made adjustments, where appropriate, for physical differences in the merchandise

in accordance with section 773(a)(6)(C)(ii) of the Act.

### Arm's-Length Sales

Dongbu, Union, HYSCO, and POSCO also reported that they made sales in the home market to affiliated parties. 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 reported home market prices of sales to affiliated and unaffiliated customers with applied billing adjustments, including interest revenue and net of all movement charges, direct selling expenses, discounts, rebates, 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. See *Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative: Ninth Administrative Review of the Antidumping Duty Order on Certain Pasta from Italy*, 71 FR 45017, 45020 (August 8, 2006) (unchanged in *Notice of Final Results of the Ninth Administrative Review of the Antidumping Duty Order on Certain Pasta from Italy*, 72 FR 7011 (February 14, 2007)); 19 CFR 351.403(c). Conversely, where we found that the sales to an affiliated party did not pass the arm's-length test, then all sales to that affiliated party have been excluded from the NV calculation. See *Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade*, 67 FR 69186, 69187 (November 15, 2002); also see Dongbu, HYSCO, the POSCO Group, and Union's August 31, 2011, preliminary results calculation memorandums.

### Level of Trade

In accordance with section 773(a)(1)(B) of the Act, we determined NV based on sales in the comparison market at the same level of trade (LOT) as the EP or CEP sales, to the extent possible. When there were no sales at the same LOT, we compared U.S. sales to comparison market sales at a different LOT.

Pursuant to 19 CFR 351.412, to determine whether EP or CEP sales and NV sales were at different LOTs, we

examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated (or arm's-length) customers. If the comparison market sales are at a different LOT and the differences affect price comparability, as manifested in a pattern of consistent price differences between sales at different LOTs in the country in which NV is determined, we will make an LOT adjustment under section 773(a)(7)(A) of the Act. For CEP sales, if the NV LOT is at a more advanced stage of distribution than the CEP LOT and the data available do not provide an appropriate basis to determine an LOT adjustment, we will grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. See

*Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731, 61732-33 (November 19, 1997).

We did not make an LOT adjustment under 19 CFR 351.412(e) because there was only one home market LOT for each respondent and we were unable to identify a pattern of consistent price differences attributable to differences in LOTs. See 19 CFR 351.412(d). Under section 773(a)(7)(B) of the Act and 19 CFR 351.412(f), we are preliminarily granting a CEP offset for HYSCO, POSCO, Dongbu, and Union because the NV sales for each company are at a more advanced LOT than the LOT for the U.S. CEP sales.

For a detailed description of our LOT methodology and a summary of

company-specific LOT findings for these preliminary results, see Dongbu, HYSCO, and Union's August 31, 2011, preliminary results calculation memorandums.

**Currency Conversion**

For purposes of these preliminary results, we made currency conversions in accordance with section 773A(a) of the Act, based on the official exchange rates published by the Federal Reserve Bank.

**Preliminary Results of the Review**

As a result of this review, we preliminarily find that the following weighted-average dumping margins exist:

Manufacturer/exporter	Percent margin
HYSCO .....	0.25% ( <i>de minimis</i> ).
POSCO .....	0.04% ( <i>de minimis</i> ).
Union .....	3.61%.
Dongbu .....	4.92%.
Review-Specific Average Rate Applicable to the Following Companies: <sup>6</sup> LG Chem, Haewon, Hausys, and Dongkuk.	4.27%.

**Comment**

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties to this proceeding in accordance with 19 CFR 351.224(b). 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)(ii). Rebuttal briefs are limited to issues raised in the case briefs and may be filed no later than five days after the time limit for filing the case briefs. See 19 CFR 351.309(d). Parties submitting arguments in this proceeding 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, in accordance with 19 CFR 351.309(d)(2). Further, parties submitting case and/or rebuttal briefs are requested to provide the Department with an additional electronic copy of the public version of any such comments on a computer diskette. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

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, ordinarily will be held two days after

the due date of the rebuttal briefs in accordance with 19 CFR 351.310(d)(1). The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, or at a hearing, if requested, 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).

**Assessment Rate**

Upon completion of the final results of this administrative review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), the Department will calculate importer-specific assessment rates for each respondent based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those sales. Where the respondent did not report the entered value for U.S. sales, we have calculated importer-specific assessment rates for the merchandise in question by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total quantity of those sales. To determine whether the duty assessment rates were *de minimis*, in accordance

with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer-specific *ad valorem* rates based on the estimated entered value. Where the assessment rate is above *de minimis*, we will instruct CBP to assess duties on all entries of subject merchandise by that importer. Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (*i.e.*, less than 0.50 percent). The Department intends to issue assessment instructions directly to CBP 15 days after publication of the final results of this review.

The Department clarified its "automatic assessment" regulation on May 6, 2003. See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (Automatic Assessment). This clarification will apply to entries of subject merchandise during the POR produced by the respondents subject to this review for which the reviewed companies did not know that the merchandise which it sold to an intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the

<sup>6</sup> This rate is based on the margins calculated for those companies that were selected for individual

review, excluding *de minimis* margins or margins based entirely on adverse facts available.

intermediary involved in the transaction. For a full discussion of this clarification, *see* Automatic Assessment.

### Cash Deposit Requirements

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of CORE from Korea entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) The cash deposit rates for the companies listed above will be the rates established in the final results of this review, except if the rate is less than 0.5 percent and, therefore, *de minimis*, the cash deposit will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent final results in which that manufacturer or exporter participated; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent final results for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 17.70 percent, the all-others rate established in the LTFV. *See Orders on Certain Steel from Korea*. These cash 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.

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

Dated: August 29, 2011.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. 2011-22730 Filed 9-2-11; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[Application No. 84-22A12]

#### Export Trade Certificate of Review

**ACTION:** Notice of issuance of an Export Trade Certificate of Review to Northwest Fruit Exporters, Application no. 84-22A12.

**SUMMARY:** The U.S. Department of Commerce issued an amended Export Trade Certificate of Review to Northwest Fruit Exporters on August 12, 2011. The Certificate has been amended twenty two times. The previous amendment was issued on August 18, 2010 (75 FR 51980). The original Certificate was issued on June 11, 1984 (49 FR 24581, June 14, 1984).

**FOR FURTHER INFORMATION CONTACT:** Joseph E. Flynn, Director, Office of Competition and Economic Analysis, International Trade Administration, by telephone at (202) 482-5131 (this is not a toll-free number) or e-mail at [etca@trade.gov](mailto:etca@trade.gov).

**SUPPLEMENTARY INFORMATION:** Title III of the Export Trading Company Act of 1982 (15 U.S.C. 4001-21) authorizes the Secretary of Commerce to issue Export Trade Certificates of Review. The regulations implementing Title III are found at 15 CFR part 325 (2010). The U.S. Department of Commerce, International Trade Administration, Office of Competition and Economic Analysis ("OCEA") is issuing this notice pursuant to 15 CFR 325.6(b), which requires the Secretary of Commerce to publish a summary of the issuance in the **Federal Register**. Under Section 305(a) of the Export Trading Company Act (15 U.S.C. 4012(b)(1)) and 15 CFR 325.11(a), any person aggrieved by the Secretary's determination may, within 30 days of the date of this notice, bring an action in any appropriate district court of the United States to set aside the determination on the ground that the determination is erroneous.

#### Description of Certified Conduct

NWF's Export Trade Certificate of Review has been amended to:

1. Add the following companies as a new Members of the Certificate within the meaning of section 325.2(l) of the Regulations (15 CFR 325.2(l)): Frosty Packing Co. LLC (Yakima, WA), J & D Packing LLC (Outlook, WA), and Polehn Farm's Inc. (The Dalles, OR); and
2. Remove the following companies as a Member of NWF's Certificate: Cervantes Orchards & Vineyards LLC (Grandview, WA), Chief Orchards LLC

(Yakima, WA), Dovex Fruit Co. (Wenatchee, WA), and Jack Frost Fruit Co. (Yakima, WA); and

3. Change the name of the following member: Conrad and Gilbert Fruit of Grandview, WA is now Conrad & Adams Fruit LLC.

The effective date of the amended certificate is April 29, 2011, the date on which NWF's application to amend was deemed submitted. A copy of the amended certificate will be kept in the International Trade Administration's Freedom of Information Records Inspection Facility, Room 4001, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

Dated: August 30, 2011.

**Joseph E. Flynn,**

*Office Director, Office of Competition and Economic Analysis.*

[FR Doc. 2011-22708 Filed 9-2-11; 8:45 am]

**BILLING CODE 3510-DR-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[Application No. 11-00001]

#### Export Trade Certificate of Review

**ACTION:** Notice of issuance of an Export Trade Certificate of Review to the Latin American Multichannel Advertising Council ("LAMAC") (#11-00001).

**SUMMARY:** On August 18, 2011, the U.S. Department of Commerce issued an Export Trade Certificate of Review to the Latin American Multichannel Advertising Council ("LAMAC"). This notice summarizes the conduct for which certification has been granted.

**FOR FURTHER INFORMATION CONTACT:** Joseph E. Flynn, Director, Office of Competition and Economic Analysis, International Trade Administration, by telephone at (202) 482-5131 (this is not a toll-free number) or e-mail at [etca@trade.gov](mailto:etca@trade.gov).

**SUPPLEMENTARY INFORMATION:** Title III of the Export Trading Company Act of 1982 (15 U.S.C. Sections 4001-21) authorizes the Secretary of Commerce to issue Export Trade Certificates of Review. The regulations implementing Title III are found at 15 CFR part 325 (2010). The U.S. Department of Commerce, International Trade Administration, Office of Competition and Economic Analysis ("OCEA") is issuing this notice pursuant to 15 CFR 325.6(b), which requires the Secretary of Commerce to publish a summary of the issuance in the **Federal Register**. Under Section 305(a) of the Export Trading