

Notification to Interested Parties

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

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

Dated: July 3, 2012.

Paul Piquado,

Assistant Secretary for Import Administration.

Appendix—Issues in Decision Memorandum

General Issues

1. Offsets for Negative Margins
2. Voluntary Respondents
3. Treatment of Assessed Antidumping Duties
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Company-Specific Comments

5. Clerical Errors in the Preliminary Results for TRF
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[FR Doc. 2012-16833 Filed 7-9-12; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-601]

Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People's Republic of China: Preliminary Results of the 2010-2011 Antidumping Duty Administrative Review, Rescission in Part, and Intent To Rescind in Part

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

SUMMARY: In response to requests from interested parties, the Department of Commerce ("Department") is currently conducting the 2010-2011 administrative review of the antidumping duty order on tapered roller bearings and parts thereof, finished or unfinished ("TRBs"), from the People's Republic of China ("PRC"), covering the period June 1, 2010, through May 31, 2011. We have

preliminarily determined that sales have been made below normal value ("NV") by certain companies subject to this review. 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 on entries of subject merchandise during the period of review ("POR") for which the importer-specific assessment rates are above *de minimis*.

Interested parties are invited to comment on these preliminary results. We will issue the final results no later than 120 days from the date of publication of this notice.

DATES: *Effective Date:* July 10, 2012.

FOR FURTHER INFORMATION CONTACT: Brandon Farlander or Erin Kearney, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-0182 or (202) 482-0167, respectively.

Background

On June 15, 1987, the Department published in the **Federal Register** the antidumping duty order on TRBs from the PRC.¹ On June 1, 2011, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on TRBs from the PRC.² On June 30, 2011, we received the following requests for review: (1) The Timken Company, of Canton, Ohio ("Petitioner") requested that the Department conduct administrative reviews of Changshan Peer Bearing Company ("CPZ/SKF"), Zhejiang Zhaofeng Mechanical Co., ("Zhejiang Zhaofeng"), and Haining Automann Parts Co., Ltd. ("Haining Automann"); (2) CPZ/SKF and its affiliate Peer Bearing Company ("Peer/SKF") requested that the Department conduct an administrative review of CPZ/SKF; (3) Xiang Yang Automobile Bearing Co., Ltd. ("ZXY") self-requested that the Department conduct an administrative review; (4) Zhejiang Sihe Machine Co., Ltd. ("Sihe") self-requested that the Department conduct an administrative review; (5) Xinchang Kaiyuan Automotive Bearing Co., Ltd. ("Kaiyuan") self-requested that the Department conduct an administrative

¹ See *Notice of Antidumping Duty Order; Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People's Republic of China*, 52 FR 22667 (June 15, 1987).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 76 FR 31586 (June 1, 2011).

review; (6) Bosda International USA LLC ("Bosda"), a U.S. importer of subject merchandise, requested that the Department conduct an administrative review of Tianshui Hailin Import and Export Corporation ("Tianshui Hailin"); (7) Northfield Industries LLC ("Northfield"), a U.S. importer of subject merchandise, requested that the Department conduct an administrative review of Tianshui Hailin; (8) Fremont International Trading, Inc. ("FIT"), a U.S. importer of subject merchandise, requested that the Department conduct an administrative review of Tianshui Hailin; and (9) GMB North America Inc. ("GMB"), a U.S. importer of subject merchandise, requested that the Department conduct an administrative review of Zhejiang Zhaofeng.

On July 28, 2011, the Department initiated the administrative review of the antidumping duty order on TRBs from the PRC for the period June 1, 2010, through May 31, 2011.³ On October 4, 2011, the Department exercised its authority to limit the number of respondents selected for individual examination pursuant to section 777A(c)(2) of the Tariff Act of 1930, as amended ("the Act"). The Department selected the largest exporter by volume as its mandatory respondent for this review, that is, CPZ/SKF.⁴ On October 4, 2011, the Department issued its antidumping duty questionnaire to CPZ/SKF. Between November 21, 2011, and May 17, 2012, CPZ/SKF timely responded to the Department's original and supplemental questionnaires.

On March 5, 2012, the Department published a notice in the **Federal Register** extending the time limit for the preliminary results of review by the full 120 days allowed under section 751(a)(3)(A) of the Act, to June 29, 2012.⁵ From April 16, 2012, through April 20, 2012, the Department conducted a sales and factors of production ("FOP") verification of CPZ/SKF, and from April 23, 2012, through April 25, 2012, conducted a sales

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews, Requests for Revocations in Part and Deferral of Administrative Reviews*, 76 FR 45227 (July 28, 2011) ("Initiation Notice").

⁴ See the Department's Memorandum entitled, "Respondent Selection in the 2010-2011 Administrative Review of Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from the People's Republic of China," dated October 4, 2011.

⁵ See *Tapered Roller Bearings and Parts Thereof, Finished or Unfinished From the People's Republic of China: Extension of the Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 77 FR 13082 (March 5, 2012).

verification of Peer/SKF.⁶ On May 15, 2012, Petitioner submitted pre-preliminary comments, and on May 29, 2012, CPZ/SKF submitted rebuttal comments.⁷

Rescission of Review in Part

Pursuant to 19 CFR 351.213(d)(1), the Department will rescind an administrative review if the party that requested the review withdraws its request within 90 days of the publication of the notice of initiation of the review, or withdraws at a later date if the Department exercises its discretion to extend the time limit for withdrawing the request. In this case, Kaiyuan and Sihe timely withdrew their requests for review, and no other party requested a review of either company.⁸ Finally, Zhejiang Zhaofeng withdrew from participation in this review, but GMB also requested a review of Zhejiang Zhaofeng, which was not withdrawn.⁹ Therefore, we are rescinding the administrative review of TRBs on Kaiyuan and Sihe, but not Zhejiang Zhaofeng.

Intent To Rescind the Review in Part

Bosda, FIT, and Northfield timely requested an administrative review for Tianshui Hailin, a company which does not have a separate rate, and then timely withdrew their requests for review of Tianshui Hailin.¹⁰ Because this

⁶ See Memorandum to the File from Erin Kearney and Brandon Farlander, Case Analysts entitled, "Verification of the Sales and Factors Responses of Changshan Peer Bearing Co., Ltd. in the 24th Administrative Review of Tapered Roller Bearings and Parts Thereof (Finished and Unfinished) ("TRBs") from the People's Republic of China," dated May 31, 2012; and Memorandum to the File from Erin Kearney and Brandon Farlander, Case Analysts entitled, "Verification of the Questionnaire Responses of Changshan Peer Bearing Company, Ltd.'s ("CPZ/SKF") U.S. affiliate Peer Bearing Company/SKF ("Peer/SKF")", dated May 31, 2012.

⁷ See Petitioner's May 15, 2012, letter entitled, "Administrative Review of the Antidumping Duty Order Covering Tapered Roller Bearings ("TRBs") and Parts Thereof, Finished or Unfinished, From The People's Republic of China ("PRC") (6/1/2010-5/31/2011); The Timken Company's Pre-Preliminary Comments" ("Petitioner's Pre-Preliminary Comments"); see also CPZ/SKF's May 29, 2012, letter entitled, "Tapered Roller Bearings and Parts Thereof from The People's Republic of China: SKF's Rebuttal to Timken's Pre-Preliminary Comments" ("CPZ/SKF's Rebuttal").

⁸ See Kaiyuan's letter entitled, "Tapered Roller Bearings from China: Withdrawal of Request for Administrative Review," dated September 23, 2011; see also Sihe's letter entitled, "Tapered Roller Bearings from China: Withdrawal of Request for Administrative Review," dated September 23, 2011.

⁹ See Zhejiang Zhaofeng's letter entitled, "Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from the People's Republic of China: Withdrawal of Participation in Administrative Review, dated December 5, 2011 ("Zhejiang Zhaofeng Withdrawal").

¹⁰ See Bosda's letter entitled, "Tapered Roller Bearings from the People's Republic of China:

company has not established its eligibility for a separate rate, it will continue to be considered part of the PRC-wide entity. Although the PRC-wide entity is not under review for these preliminary results, the possibility exists that the PRC-wide entity could be under review for the final results of this administrative review. Therefore, we are not rescinding this review with respect to this company at this time, but we intend to rescind this review with respect to Tianshui Hailin in the final results if the PRC-wide entity is not reviewed.

Period of Review

The POR is June 1, 2010, through May 31, 2011.

Scope of the Order

Imports covered by this order are shipments of tapered roller bearings and parts thereof, finished and unfinished, from the PRC; flange, take up cartridge, and hanger units incorporating tapered roller bearings; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use. These products are currently classifiable under Harmonized Tariff Schedule of the United States ("HTSUS") item numbers 8482.20.00, 8482.91.00.50, 8482.99.15, 8482.99.45, 8483.20.40, 8483.20.80, 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.80, 8708.99.80.15¹¹ and 8708.99.80.80.¹² Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Non-Market Economy Country Status

Pursuant to section 771(18)(C)(i) of the Act, any determination that a foreign country is a non-market economy ("NME") country shall remain in effect until revoked by the administering authority. Accordingly, we calculated

Withdrawal of Request for Administrative Review," dated August 22, 2011; FIT's letter entitled, "Tapered Roller Bearings from the People's Republic of China: Withdrawal of Request for Administrative Review," dated September 16, 2011, and Northfield's letter entitled, "Tapered Roller Bearings from the People's Republic of China: Withdrawal of Request for Administrative Review by Northfield Industries LLC," dated September 21, 2011.

¹¹ Effective January 1, 2007, the HTSUS subheading 8708.99.8015 is renumbered as 8708.99.8115. See United States International Trade Commission ("USITC") publication entitled, "Modifications to the Harmonized Tariff Schedule of the United States Under Section 1206 of the Omnibus Trade and Competitiveness Act of 1988," USITC Publication 3898 (December 2006) found at www.usitc.gov.

¹² Effective January 1, 2007, the USHTS subheading 8708.99.8080 is renumbered as 8708.99.8180; see *id.*

normal value in accordance with section 773(c) of the Act, which applies to NME countries.

Surrogate Country

Section 773(c)(1) of the Act directs the Department to base NV on the NME producer's FOPs, valued in a surrogate market-economy ("ME") country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall use, to the extent possible, the prices or costs of the FOPs in one or more market economy countries that are: (1) At a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise. The sources of the surrogate factor values are discussed under the "Factor Valuations" section below.¹³

The Department uses per capita Gross National Income ("GNI") as the primary basis for determining economic comparability.¹⁴ Once the countries that are economically comparable to the PRC have been identified, the Department selects an appropriate surrogate country by determining whether an economically comparable country is a significant producer of comparable merchandise and whether data for valuing FOPs are both available and reliable.

On September 28, 2011, the Department identified six countries as being at a level of economic development comparable to the PRC for the specified POR: Colombia, Indonesia, the Philippines, South Africa, Thailand, and Ukraine.¹⁵ On November 14, 2011,

¹³ See also the Department's memorandum entitled, "Preliminary Results of the 2010-2011 Administrative Review of the Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from the People's Republic of China: Surrogate Value Memorandum," dated concurrently with this notice ("Surrogate Value Memorandum").

¹⁴ See the Department's Policy Bulletin No. 04.1, regarding, "Non-Market Economy Surrogate Country Selection Process," (March 1, 2004) ("Policy Bulletin 04.1"), available on the Department's Web site at <http://ia.ita.doc.gov/policy/bull04.1.html>.

¹⁵ See Attachment I of the Department's letter dated November 14, 2011, in which we requested all interested parties to provide comments on surrogate-country selection and provide FOP values from the potential surrogate countries (*i.e.*, Colombia, Indonesia, the Philippines, South Africa, Thailand, and Ukraine) ("Surrogate Countries Letter"). Attachment I contains the Department's Memorandum from Carole Showers, Director, Office of Policy, to Howard Smith, Program Manager, AD/CVD Operations, Office 4, entitled, "Request for a List of Surrogate Countries for an Administrative Review of the Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof, Finished and Unfinished ("TRBs") from the People's Republic of China ("China")," dated September 28, 2011

the Department invited all interested parties to submit comments on the surrogate country selection.¹⁶ On December 15, 2011, Petitioner and CPZ/SKF submitted comments regarding the Department's selection of a surrogate country for the preliminary results.¹⁷

With respect to the Department's selection of surrogate country, both Petitioner and CPZ/SKF argue that Thailand is the most appropriate surrogate country from which to derive surrogate factor values for the PRC. Petitioner and CPZ/SKF note that Thailand is economically comparable to the PRC, as it appears as a potential surrogate country in the Department's Surrogate Countries Memorandum.¹⁸ Petitioner submitted United Nations Commodity Trade Statistics Database ("UN COMTRADE") export data for 2008, 2009, and 2010, which it argues shows that Thailand is a significant producer of comparable merchandise and that Thailand has exported more comparable merchandise than the other potential surrogate countries.¹⁹ CPZ/SKF argued that the Department found Thailand to be a significant producer of comparable merchandise in *TRBs 2007–2008*.²⁰ CPZ/SKF also submitted World Trade Atlas data for the POR, as well as UN COMTRADE data, which CPZ/SKF argues show that Thailand is a significant producer of comparable merchandise.²¹ Finally, Petitioner and CPZ/SKF argue that the Thai data they submitted in their surrogate value submissions constitute reliable information from Thailand on the record that can be used to value respondents' FOPs.²²

Therefore, the Department is preliminarily selecting Thailand as the surrogate country on the basis that: (1) It is at a similar level of economic development to the PRC, pursuant to 773(c)(4) of the Act; (2) it is a significant

producer of comparable merchandise; and (3) we have reliable data from Thailand that we can use to value the FOPs. Accordingly, we have calculated NV using Thai prices when available and appropriate to value the respondent's FOPs.²³ In accordance with 19 CFR 351.301(c)(3)(ii), for the final results of an administrative review, interested parties may submit publicly available information to value the FOPs within 20 days after the date of publication of these preliminary results.²⁴

Separate Rates

In antidumping proceedings involving NME countries, it is the Department's practice to begin with a rebuttable presumption that the export activities of all companies within the country are subject to government control and thus should be assessed a single antidumping duty rate. It is the Department's policy to assign all exporters of merchandise subject to review in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. Exporters can demonstrate this independence through the absence of both *de jure* and *de facto* government control over export activities. The Department analyzes each entity exporting the subject merchandise under a test arising from the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("*Sparklers*"), as further developed in the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("*Silicon Carbide*"). However, if the Department determines that a company is wholly foreign-owned or located in a market economy, then a separate-rate analysis is not necessary to determine whether it is independent from government control.

CPZ/SKF submitted information indicating that CPZ/SKF is a wholly foreign-owned limited liability company. Therefore, for the purposes of these preliminary results, the Department finds that it is not necessary to perform a separate-rate analysis for CPZ/SKF. ZXY has submitted information indicating that it is a joint-stock limited PRC company that has no foreign ownership. Thus, the Department must analyze whether ZXY has demonstrated the absence of both *de jure* and *de facto* government control over export activities, and is therefore entitled to a separate rate. Zhejiang Zhaofeng and Haining Automann did not submit information to determine if they are eligible for separate rates. Also, Zhejiang Zhaofeng withdrew from participating in this proceeding.²⁵ Hence, Zhejiang Zhaofeng and Haining Automann will remain part of the PRC-entity.

a. Absence of De Jure Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) other formal measures by the government decentralizing control of companies.²⁶

The evidence provided by ZXY supports a preliminary finding of *de jure* absence of government control based on the following: (1) An absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) the existence of applicable legislative enactments decentralizing control of the company and (3) the existence of formal measures by the government decentralizing control of the company.²⁷

b. Absence of De Facto Control

Typically the Department considers four factors in evaluating whether a company is subject to *de facto* government control of its export functions: (1) Whether the export prices are set by or are subject to the approval of a government agency; (2) whether the company has authority to negotiate and sign contracts and other agreements; (3) whether the company has autonomy from the government in making decisions regarding the selection of management; and (4) whether the

("Surrogate Countries Memorandum"); see also *Policy Bulletin 04.1*.

¹⁶ See Surrogate Countries Letter.

¹⁷ See Petitioner's submission entitled, "The Timkin Company's Surrogate Country Comments," dated December 15, 2011 ("Petitioner's SC Submission"); see also CPZ/SKF's submission entitled "SKF's Surrogate Country and Surrogate Value Comments," dated December 15, 2011 ("CPZ/SKF's SC/SV Submission").

¹⁸ See *id.*

¹⁹ See Petitioner's SC Submission.

²⁰ See *Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from the People's Republic of China: Final Results of 2007–2008 Administrative Review of the Antidumping Duty Order*, 75 FR 844 (January 6, 2010) ("*TRBs 2007–2008*").

²¹ See CPZ/SKF's SC/SV Submission at Appendices S–2 and S–3.

²² See Petitioner's SC Submission and CPZ/SKF's SC/SV Submission; see also Petitioner's submission entitled "The Timkin Company's Pre-Preliminary Surrogate Value Comments," dated December 15, 2011 ("Petitioner's SV Submission").

²³ See Surrogate Value Memorandum; see also "Factor Valuations" section, below.

²⁴ In accordance with 19 CFR 351.301(c)(1), for the final results of this administrative review, interested parties may submit factual information to rebut, clarify, or correct factual information submitted by an interested party less than ten days before, on, or after, the applicable deadline for submission of such factual information. However, the Department notes that 19 CFR 351.301(c)(1) permits new information only insofar as it rebuts, clarifies, or corrects information recently placed on the record. The Department generally will not accept the submission of additional, previously absent-from-the-record alternative surrogate value information pursuant to 19 CFR 351.301(c)(1). See *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission, in Part*, 72 FR 58809 (October 17, 2007), and accompanying IDM at Comment 2.

²⁵ See Zhejiang Zhaofeng Withdrawal.

²⁶ See *Sparklers*, 56 FR at 20589.

²⁷ See ZXY's Separate Rate Application ("SRA"), dated September 26, 2011.

company retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.²⁸

The Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of government control over export activities which would preclude the Department from assigning separate rates. For ZXY, we determine that the evidence on the record supports a preliminary finding of *de facto* absence of government control based on record statements and supporting documentation showing the following: (1) ZXY sets its own export prices independent of the government and without the approval of a government authority; (2) it retains the proceeds from its sales and makes independent decisions regarding disposition of profits or financing of losses; (3) it has the authority to negotiate and sign contracts and other agreements; and (4) it has autonomy from the government regarding the selection of management.²⁹

The evidence placed on the record of this review by ZXY demonstrates an absence of *de jure* and *de facto* government control with respect to its exports of the merchandise under review, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*. Therefore, we are preliminarily granting ZXY a separate rate.

Margin for Separate Rate Companies

The Act and the Department's regulations do not address the establishment of a rate to be applied to individual companies not selected for examination where the Department limited its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, we have looked to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the rate for respondents we did not examine in an administrative review. For the exporter subject to a review that was determined to be eligible for separate rate status, but was not selected as a mandatory respondent, the Department generally weight-averages the rates calculated for the mandatory respondents, excluding any rates that are zero, *de minimis*, or based entirely on adverse facts available.

²⁸ See *Silicon Carbide*, 59 FR at 22586–87; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

²⁹ See ZXY's SRA, dated September 26, 2011.

As discussed above, the Department received a timely and complete separate rate application from ZXY, an exporter of TRBs from the PRC during the POR, and ZXY was not selected as a mandatory respondent in this review. ZXY has demonstrated its eligibility for a separate rate, as discussed above. Consistent with the Department's practice, as the separate rate, we have established a margin for ZXY based on the rate we calculated for the individually examined respondent, CPZ/SKF.

Fair Value Comparisons

In accordance with 19 CFR 351.414(c)(1) and (d) of the Department's regulations, to determine whether sales of TRBs to the United States by CPZ/SKF were made at less than fair value, we compared constructed export price ("CEP") to NV, as described in the "U.S. Price" and "Normal Value" sections of this notice, below.³⁰

In Petitioner's Pre-Preliminary Comments, Petitioner states that, according to *Final Modification for Reviews*, the Department intends to compare average export prices and average normal values and will grant offsets in administrative reviews, but that there may be cases in which an alternate methodology is warranted.³¹ Petitioner requests that, in this case, based on evidence on the record, the Department conduct a targeted dumping analysis and employ average-to-transaction comparisons without offsets, should the Department find that the record supports it.³² In CPZ/SKF's rebuttal, it argues that the Department does not have the statutory authority to apply a targeted dumping analysis in an administrative review and that Petitioner's targeted dumping analysis is nevertheless flawed. Moreover, CPZ/SKF argues, even if the Department

³⁰ In these preliminary results, the Department applied the weighted-average dumping margin calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012) ("*Final Modification for Reviews*"). In particular, the Department compared monthly weighted-average export prices (or constructed export prices) with monthly weighted-average normal values and granted offsets for non-dumped comparisons in the calculation of the weighted average dumping margin.

³¹ See Petitioner's Pre-Preliminary Comments at 8.

³² *Id.* at 9–10, citing *Certain Steel Nails from the United Arab Emirates: Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination*, 76 FR 68129 (Nov. 3, 2011) and *Multilayered Wood Flooring from the People's Republic of China: Final Determination of Sales at Less than Fair Value*, 76 FR 64318 (Oct. 18, 2011).

found that targeted dumping occurred, it is prohibited from using zeroing.

For purposes of these preliminary results the Department did not conduct a targeted dumping analysis. In calculating the preliminary weighted-average dumping margins for the mandatory respondent, the Department applied the calculation methodology adopted in *Final Modification for Reviews*. In particular, the Department compared monthly weighted-average CEP with monthly weighted-average NV and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margins. Application of this methodology in these preliminary results affords parties an opportunity to meaningfully comment on the Department's implementation of this recently adopted methodology in the context of this administrative review. The Department intends to continue to consider, pursuant to 19 CFR 351.414(c), whether another method is appropriate in this administrative review in light of the parties' pre-preliminary comments and any comments on the issue that parties may include in their case and rebuttal briefs.

U.S. Price

In accordance with section 772(b) of the Act, CEP is the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under sections 772(c) and (d) of the Act. In accordance with section 772(b) of the Act, we used CEP for CPZ/SKF's sales because the exporter first sold subject merchandise to its affiliated company in the United States, Peer/SKF, which in turn sold subject merchandise to unaffiliated U.S. customers. We calculated CEP based on prices to unaffiliated purchasers in the United States. We made deductions from the U.S. sales price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These included foreign inland freight from the plant to the port of exportation and foreign brokerage and handling, international freight, marine insurance, U.S. brokerage and handling, U.S. customs duty, U.S. warehousing expenses, U.S. inland freight from port to the warehouse, and, where applicable, U.S. inland freight from the warehouse to the customer.

In accordance with section 772(d)(1) of the Act, the Department deducted

from the U.S. price commissions paid to unaffiliated selling agents, inventory carrying costs, credit expenses, repacking expenses, and U.S. indirect selling expenses, all of which relate to commercial activity in the United States. Finally, we deducted CEP profit, in accordance with sections 772(d)(3) and 772(f) of the Act.³³

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using a FOP methodology if: (1) the merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home market prices, third country prices, or constructed value under section 773(a) of the Act. When determining NV in an NME context, the Department will base NV on FOPs because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under our normal methodologies. Under section 773(c)(3) of the Act, FOPs include but are not limited to: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. The Department used FOPs reported by CPZ/SKF for materials, labor, and packing, but excluded energy (*i.e.*, electricity and coal). See Surrogate Value Memorandum for further discussion regarding energy reporting in financial statements.

In the instant review, CPZ/SKF reported sales that were further manufactured or assembled in a third country. Consistent with *TRBs 2007–2008*, *TRBs 2008–2009*, and *TRBs 2009–2010*,³⁴ the Department has determined that the finishing operations in the third country do not constitute substantial transformation and, hence, do not

confer a new country of origin for antidumping purposes. As such, we have determined NV for such sales based on the country of origin (*i.e.*, the PRC), pursuant to section 773(a)(3)(A) of the Act, because CPZ/SKF knew at the time of the sale of merchandise to the third country that it was destined for export to the United States. The Department also included the further manufacturing and assembly costs incurred in the third country, as reported by CPZ/SKF, in the NV calculation, as well as the expense of transporting the merchandise from the factory in the PRC to the further manufacturing plant in the third country.³⁵

Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on FOPs reported by CPZ/SKF for the POR. In accordance with 19 CFR 351.408(c)(1), the Department will normally use publicly available information to find an appropriate SV to value FOPs, but when a producer sources an input from a market economy and pays for it in market economy currency, the Department normally will value the factor using the actual price paid for the input if the quantities were meaningful and where the prices have not been distorted by dumping or subsidies.³⁶ To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available SVs (except as discussed below). In selecting the best available information for valuing FOPs in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, SVs which are non-export average values, most contemporaneous with the POR, product-specific, and tax-exclusive.³⁷ We considered the quality, specificity, and contemporaneity of the data.³⁸ As

appropriate, we adjusted input prices by including freight costs to make them delivered prices. Specifically, we added to import SVs a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory where appropriate. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp. v. United States*, 117 F.3d 1401, 1407–08 (Fed. Cir. 1997).

On November 14, 2011, the Department invited all interested parties to submit publicly available information to value FOPs for consideration in the Department's preliminary results of review.³⁹ On December 15, 2011, Petitioner, CPZ/SKF, and ZXY submitted publicly available information to value FOPs for the preliminary results, and on December 23, 2011, Petitioner, CPZ/SKF, and ZXY submitted rebuttal comments. A detailed description of all surrogate values used for CPZ/SKF can be found in the Surrogate Value Memorandum.

For the preliminary results, in accordance with the Department's practice, except where noted below, we used data from the Thai import statistics in the Global Trade Atlas ("GTA"), published by Global Trade Information Services, Inc. ("GTIS") and other publicly available Thai sources to calculate SVs for CPZ/SKF's FOPs (*i.e.*, direct material and packing materials) and certain movement expenses. The GTA reports import statistics, such as from Thailand, in the original reporting currency and, thus, these data correspond to the original currency value reported by each country. The record shows that data in the Thai import statistics, as well as those from several other Thai sources, are contemporaneous with the POR, product-specific, and tax-exclusive.⁴⁰ In those instances where we could not obtain publicly available information contemporaneous to the POR with which to value factors, we adjusted the SVs using, where appropriate, the Thai Producer Price Index ("PPI") or Consumer Price Index ("CPI") as published in the International Monetary Fund's *International Financial Statistics*.⁴¹

Certain Preserved Mushrooms From the People's Republic of China, 66 FR 31204 (June 11, 2001), and accompanying IDM at Comment 5.

³⁹ See Surrogate Countries Letter.

⁴⁰ See Surrogate Value Memorandum.

⁴¹ See, e.g., *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final*

³³ See the Department's memorandum entitled, "2010–2011 Administrative Review of the Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from the People's Republic of China: Analysis of the Preliminary Determination Margin Calculation for Changshan Peer Bearing Company," dated concurrently with this notice ("CPZ/SKF Analysis Memorandum").

³⁴ See *TRBs 2007–2008*, and accompanying IDM at Comment 1; *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Final Results of the 2008–2009 Antidumping Duty Administrative Review*, 76 FR 3086 (January 19, 2011) ("*TRBs 2008–2009*"), and accompanying IDM at Comment 6; and *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Final Results of the 2009–2010 Antidumping Duty Administrative Review and Rescission of Administrative Review*, in Part, 77 FR 2271 (January 17, 2012) ("*TRBs 2009–2010*").

³⁵ See CPZ/SKF's Analysis Memorandum.

³⁶ See *Shakeproof Assembly Components Div of Ill Tool Works v. United States*, 268 F.3d 1376, 1382–83 (Fed. Cir. 2001) (affirming the Department's use of market-based prices to value certain FOPs).

³⁷ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004).

³⁸ See, e.g., *Fresh Garlic From the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 67 FR 72139 (December 4, 2002), and accompanying IDM at Comment 6; and *Final Results of First New Shipper Review and First Antidumping Duty Administrative Review:*

As explained in the legislative history of the Omnibus Trade and Competitiveness Act of 1988, the Department continues to apply its long-standing practice of disregarding SVs if it has a reason to believe or suspect the source data may reflect subsidized prices.⁴² In this regard, the Department has previously found that it is appropriate to disregard such prices from India, Indonesia, South Korea and Thailand because we have determined that these countries maintain broadly available, non-industry specific export subsidies.⁴³ Based on the existence of these subsidy programs that were generally available to all exporters and producers in these countries at the time of the POR, the Department finds that it is reasonable to infer that all exporters from India, Indonesia, South Korea and Thailand may have benefitted from these subsidies. Additionally, we disregarded prices from NME countries.⁴⁴ Finally, imports that were labeled as originating from an “unspecified” country were excluded from the average value, because the Department could not be certain that they were not from either an NME country or a country with generally available export subsidies.⁴⁵

CPZ/SKF claimed that certain of its reported raw material inputs were sourced from an ME country and paid for in ME currencies. When a respondent sources inputs from an ME supplier in meaningful quantities, the Department uses the actual price paid by the respondent for those inputs,

Determination, 74 FR 9600 (March 5, 2009), unchanged in *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Final Determination of Sales at Less than Fair Value*, 74 FR 36656 (July 24, 2009).

⁴² Omnibus Trade and Competitiveness Act of 1988, Conf. Report to Accompany H.R. 3, H.R. Rep. No. 576, 100th Cong., 2nd Sess. (1988) (“OTCA 1988”) at 590, reprinted in 1988 U.S.C.A.N. 1547, 1623–24.

⁴³ See, e.g., *Expedited Sunset Review of the Countervailing Duty Order on Carbazole Violet Pigment 23 from India*, 75 FR 13257 (March 19, 2010), and accompanying Issues and Decision Memorandum at 4–5; *Expedited Sunset Review of the Countervailing Duty Order on Certain Cut-to-Length Carbon Quality Steel Plate from Indonesia*, 70 FR 45692 (August 8, 2005), and accompanying Issues and Decision Memorandum at 4; *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009), and accompanying Issues and Decision Memorandum at 17, 19–20; *Final Results of Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Thailand*, 66 FR 50410 (October 3, 2001), and accompanying Issues and Decision Memorandum at 23.

⁴⁴ See *Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People's Republic of China: Preliminary Results of the 2008–2009 Administrative Review of the Antidumping Duty Order*, 76 FR 34048, unchanged in *TRBs 2008–2009*.

⁴⁵ See *id.*

except when prices may have been distorted by dumping or subsidies.⁴⁶ Where we found ME purchases to be of significant quantities (i.e., 33 percent or more), in accordance with our statement of policy as outlined in *Antidumping Methodologies: Market Economy Inputs*,⁴⁷ we used the actual purchase prices of these inputs to value the full input. Accordingly, where applicable, we valued CPZ/SKF’s inputs using the ME currency prices paid where the total volume of the input purchased from all ME sources during the POR exceeds or is equal to 33 percent of the total volume of the input purchased from all sources during the period. Where the quantity of the reported input purchased from ME suppliers was below 33 percent of the total volume of the input purchased from all sources during the POR, and were otherwise valid, we weight-averaged the ME input’s purchase price with the appropriate surrogate value for the input according to their respective shares of the reported total volume of purchases.⁴⁸ Where appropriate, we added freight to the ME prices of inputs. For a detailed description of the actual values used for the ME inputs reported, see CPZ/SKF Analysis Memorandum.

CPZ/SKF reported separate FOP information for merchandise produced by CPZ/SKF, and for merchandise which was produced by CPZ prior to its acquisition by SKF (“pre-acquisition CPZ”). For those POR sales of merchandise produced by pre-acquisition CPZ, CPZ/SKF reported the FOPs from pre-acquisition CPZ. For all POR sales of merchandise produced after the acquisition by SKF, CPZ/SKF reported its own FOPs.

We valued brokerage and handling using a price list for export procedures necessary to export a standardized cargo of goods in Thailand in a 20-foot container. The price list was published in the World Bank publication, *Doing Business in Thailand*. The publication’s methodology indicates that the data covers the period of June 1, 2010, through May 31, 2011, so it is concurrent with the POR, and no inflation was necessary.

We valued truck freight using Thai data published by the Thailand Board of Investment’s *Costs of Doing Business in*

⁴⁶ See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27366 (May 19, 1997).

⁴⁷ See *Antidumping Methodologies: Market Economy Inputs, Expected Non-Market Economy Wages, Duty Drawback; and Request for Comments*, 71 FR 61716, 61717–18 (October 19, 2006) (“*Antidumping Methodologies: Market Economy Inputs*”).

⁴⁸ See *Antidumping Methodologies: Market Economy Inputs*, 71 FR at 61718.

Thailand and distances between Thai cities published on Google Maps: <https://maps.google.com>. The rates were in effect prior to the POR, so we adjusted them to be contemporaneous with the POR, using PPI.⁴⁹

Where appropriate, we valued air freight using the rates published on the UPS Web site: <http://www.ups.com>. These rates are publicly available and cover a wide range of air routes which are reported on a daily basis. Because these rates were in effect after the POR, we adjusted them using PPI.

CPZ/SKF reported that more than 33 percent of its international ocean freight was purchased from ME suppliers in ME currency, so the Department valued NME ocean freight purchases using CPZ/SKF’s ME ocean freight purchases during the POR.⁵⁰

On June 21, 2011, the Department revised its methodology for valuing the labor input in NME antidumping proceedings.⁵¹ In *Labor Methodologies*, the Department determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. Additionally, the Department determined that the best data source for industry-specific labor rates is Chapter 6A: Labor Cost in Manufacturing, from the International Labor Organization (“ILO”) Yearbook of Labor Statistics (“Yearbook”).

In these preliminary results, the Department valued labor using the methodology described in *Labor Methodologies*. Specifically, to value CPZ/SKF’s labor, the Department relied on data reported by Thailand to the ILO in Chapter 6A of the Yearbook for total manufacturing wage data. Although the Department found that the two-digit description under ISIC-Revision 3 for Sub-Classification 29 (“Manufacture of Machinery and Equipment NEC”) is specific to the industry being examined, and is therefore derived from industries that produce comparable merchandise, Thailand has not reported data specific to the two-digit description since 2000. However, Thailand did report total manufacturing wage data in 2005.

Accordingly, relying on Chapter 6A of the Yearbook, the Department calculated the labor value using total labor data reported by Thailand to the ILO in 2005, in accordance with section 773(c)(4) of the Act. Because these rates were in effect before the POR, we are adjusting the labor value for inflation. A

⁴⁹ See Surrogate Value Memorandum.

⁵⁰ See *id.*

⁵¹ See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) (“*Labor Methodologies*”).

more detailed description of the wage rate calculation methodology, and the calculated wage rate, is provided in the Surrogate Value Memorandum.

Pursuant to 19 CFR 351.408(c)(4), the Department valued factory overhead, selling, general and administrative expenses, and profit using non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country. For these preliminary results, we used the average of the ratios derived from the financial statements of three Thai producers of TRBs: JTEKT (Thailand) Company Limited (for the year ending on December 31, 2010), Koyo Joint (Thailand) Company Limited (for the year ending on December 31, 2010), and NSK Bearing Manufacturing (Thailand) Co., Ltd. (for the year ending on March 31, 2011). We find that these financial statements constitute the best available information with which to determine the financial ratios. All three financial statements cover a period overlapping the POR and are thus contemporaneous with the POR.⁵²

As stated above, the Department used Thailand's ILO data reported under Chapter 6A of Yearbook, which reflect all costs related to labor, including wages, benefits, housing, training, *etc.* Since the financial statements used to calculate the surrogate financial ratios do not include itemized detail of indirect labor costs, the Department has not made adjustments to the surrogate financial ratios.

CPZ/SKF reported that steel scrap was recovered as a by-product of the production of subject merchandise and successfully demonstrated that the scrap has commercial value. Therefore, we have granted a by-product offset for the reported steel scrap, valued using Thai GTA data.⁵³

Currency Conversion

Where appropriate, we made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margin exists for the period June 1, 2010, through May 31, 2011:

Exporters	Weighted-average percent margin
Changshan Peer Bearing Co., Ltd	7.74
Xiang Yang Automobile Bearing Co., Ltd	7.74

Disclosure and Public Comment

The Department will disclose calculations performed for these preliminary results to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit written comments no later than 30 days after the date of publication of these preliminary results of review.⁵⁴ Rebuttals to written comments may be filed no later than five days after the written comments are filed.⁵⁵

Any interested party may request a hearing within 30 days of publication of this notice.⁵⁶ Hearing requests should contain the following information: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.⁵⁷

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, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. CPZ/SKF reported the name of the importer of record and the entered value for all of its sales to the United States during the POR. If CPZ/SKF's weighted-average dumping margin is above *de minimis* in the final results of this review, we will calculate an importer-specific assessment rate on the basis of the ratio of the total amount of antidumping duties calculated for the importer's examined sales and the total entered value of those sales in accordance with

19 CFR 351.212(b)(1).⁵⁸ The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) For the exporters listed above, the cash deposit rate will be the rate established in the final results of this review (except, if the rate is zero or *de minimis*, *i.e.*, less than 0.5 percent, a zero cash deposit rate will be required for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 92.84 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter(s) that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213.

⁵⁸ In these preliminary results, the Department applied the assessment rate calculation method adopted in *Final Modification for Reviews*, *i.e.*, on the basis of monthly average-to-average comparisons using only the transactions associated with that importer with offsets being provided for non-dumped comparisons.

⁵⁴ See 19 CFR 351.309(c).

⁵⁵ See 19 CFR 351.309(d).

⁵⁶ See 19 CFR 351.310(c).

⁵⁷ See 19 CFR 351.310(d).

⁵² See Surrogate Value Memorandum.

⁵³ See *id.*

Dated: June 28, 2012.

Paul Piquado,

Assistant Secretary for Import Administration.

[FR Doc. 2012-16726 Filed 7-9-12; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

[Docket No.: 120530125-2125-01]

Draft NIST Interagency Report (NISTIR) 7823, Advanced Metering Infrastructure Smart Meter Upgradeability Test Framework; Request for Comments

AGENCY: National Institute of Standards and Technology, Commerce.

ACTION: Notice and request for comments.

SUMMARY: The National Institute of Standards and Technology (NIST) seeks comments on Draft NISTIR 7823, *Advanced Metering Infrastructure Smart Meter Upgradeability Test Framework* (Draft NISTIR 7823). This draft document provides an example test framework and conformance test requirements for the firmware upgradeability process for the Advanced Metering Infrastructure (AMI) Smart Meters. The target audience for Draft NISTIR 7823 includes numerous stakeholders in the Smart Grid space, particularly customers, Smart Meter manufacturers, certifying bodies, test labs, and standards development organizations.

DATES: Comments must be received by August 9, 2012.

ADDRESSES: Written comments concerning the document may be sent to: Information Technology Laboratory, ATTN: Michaela Iorga, National Institute of Standards and Technology, 100 Bureau Drive, Stop 8930, Gaithersburg, MD 20899-8930.

Electronic comments should be sent to: Michaela Iorga at michaela.iorga@nist.gov, with a Subject line: NISTIR 7823 Comments

Draft NISTIR 7823, *Advanced Metering Infrastructure Smart Meter Upgradeability Test Framework*, is available electronically from the NIST Web site at: <http://csrc.nist.gov/publications/PubsDrafts.html>.

FOR FURTHER INFORMATION CONTACT: Michaela Iorga, (301) 975-8431, email: michaela.iorga@nist.gov, or Nelson Hastings, (301) 975-5237, email: nelson.hastings@nist.gov, National Institute of Standards and Technology,

100 Bureau Drive, Stop 8930, Gaithersburg, MD 20899-8930.

SUPPLEMENTARY INFORMATION: NIST publishes this notice to solicit comments on Draft NISTIR 7823, *Advanced Metering Infrastructure Smart Meter Upgradeability Test Framework* (Draft NISTIR 7823). This draft document proposes an example test framework and conformance test requirements for the firmware upgradeability process for the Advanced Metering Infrastructure (AMI) Smart Meters. The conformance test requirements in the Draft NISTIR 7823 are derived from the National Electrical Manufacturers Association (NEMA) *Requirements for Smart Meter Upgradeability* standard, which defines requirements for Smart Meter firmware upgradeability in the context of an AMI system for industry stakeholders such as regulators, utilities, and vendors. Draft NISTIR 7823 identifies test procedures that the vendors and testers can voluntarily use to demonstrate a system's conformance with the NEMA standard. The testing procedures identified as "Required Vendor Information" apply to vendors, and the procedures identified as "Required Test Procedures" apply to testers.

Draft NISTIR 7823 includes a description of conformance tests that apply to Smart Meters and Upgrade Management System (UMS). The conformance tests applicable to Smart Meters are described in the following sections: Section 2, the Mandatory Functional Requirements, Section 3, the Conditional Functional Requirements, Section 4, the Optional Functional Requirements, and Section 5, the Non-testable Functional Requirements. The conformance tests applicable to UMS are described in Section 6.

The test framework identified in the Draft NISTIR 7823 is intended to provide objectivity and repeatability in the testing process, and to ensure that a consistent method is used to assess conformance with the NEMA Requirements for Smart Meter Upgradeability. The NEMA specification does not address specific details on the interfaces, commands, or protocols needed to achieve a firmware upgrade, nor does it specify how the functional and security requirements contained in the specification are to be implemented.

Draft NISTIR 7823 provides a high-level overview of the test procedures, in addition to providing more detailed steps for conducting the test, reviewing test results, and producing records to assess and report on results of the test.

Comments are requested on the test framework, conformance test

requirements, and test procedures described in the document.

Dated: July 2, 2012.

Willie E. May,

Associate Director for Laboratory Programs.

[FR Doc. 2012-16727 Filed 7-9-12; 8:45 am]

BILLING CODE 3510-13-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Coastal Programs Division

AGENCY: Coastal Programs Division, Office of Ocean and Coastal Resource Management, National Ocean Service, National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

ACTION: Notice of approval of extension of deep sea hard mineral exploration licenses and amended exploration plan.

SUMMARY: On February 29, 2012, NOAA published a notice and request for comments in the **Federal Register** at 77 FR 12245 on the request of Lockheed Martin Corp. to extend the deep seabed hard mineral exploration licenses USA-1 and USA-4 issued under the Deep Seabed Hard Mineral Resources Act (DSHMRA; 30 U.S.C. 1401-1473) and approve the amended exploration plan for those licenses.

No comments were received objecting to the approval of the extension and amended exploration plan. Comments were received only from the Western Pacific Fisheries Management Council (WPFMC) and the United States Department of State. The WPFMC noted that none of the fisheries under its jurisdiction were likely to be affected by any activities outlined in the extension request. The Department of State noted that international recognition of the areas covered by the licenses requires approval by the International Seabed Authority (ISA) and that without accession of the United States to the Law of the Sea (LOS) Convention, the United States cannot sponsor a U.S. company at the ISA. The Department further noted that if the U.S. accedes to the LOS Convention that it would be necessary to make conforming changes to these exploration licenses. NOAA acknowledges and accepts the comments from WPFMC and the Department of State.

Under its authority and in conformance with the requirements under DSHMRA and the DSHMRA regulations at 15 CFR part 970, NOAA approved the extension of both licenses for five years along with the amended