merchandise subject to this review. The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of the final results of review. If these preliminary results are adopted in the final results of review, we will direct CBP to assess the resulting assessment rates (*ad valorem*) against the entered customs values for the subject merchandise on each of the importer's entries during the review period.

Cash Deposit

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publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the company listed above will be the rate established in the final results of this administrative review (except that no deposit will be required if the rate is zero or *de minimis*, *i.e.*, less than 0.5 percent); (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this review, a prior review, or the original LTFV investigation, the cash deposit rate will continue to be the ''all others'' rate of 11.23 percent, which is the rate established in the LTFV investigation. *See Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From Italy*, 64 FR 40567 (July 27, 1999). These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification to Interested Parties

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

Dated: July 29, 2004.

Jeffrey A. May,

Acting Assistant Secretary for Import Administration.

[FR Doc. 04–18152 Filed 8–6–04; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–583–831]

Stainless Steel Sheet and Strip in Coils From Taiwan: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results and partial rescission of antidumping duty administrative review of stainless steel sheet and strip in coils from Taiwan.

EFFECTIVE DATE: August 9, 2004.

SUMMARY: In response to a request from petitioners [1] and one Taiwanese manufacturer/exporter, Chia Far Industrial Factory Co., Ltd. (''Chia Far''), the Department of Commerce (''the Department'') is conducting an administrative review of the antidumping duty order on stainless steel sheet and strip in coils (''SSSS'') from Taiwan. The period of review (''POR'') is July 1, 2002 through June 30, 2003.

This administrative review covers the following thirteen manufacturers/exporters of subject merchandise: Ta Chen Stainless Pipe Co., Ltd. (''Ta Chen''), Tung Mung Development Co. Ltd. (''Tung Mung''), China Steel Corporation (''China Steel''), Yieh Mau Corp. (''Yieh Mau''), Chain Chon Industrial Co., Ltd. (''Chain Chon''), Goang Jau Shing Enterprise Co., Ltd. (''Goang Jau Shing''), PFP Taiwan Co., Ltd. (''PFP Taiwan''), Yieh Loong Enterprise Company, Ltd. (''Yieh Loong''), Tang Eng Iron Works Company, Ltd. (''Tang Eng''), Yieh Trading Corporation (''Yieh Trading''), Chien Shing Stainless Steel Company Ltd. (''Chien Shing''), Chia Far, and Yieh United Steel Corporation (''YUSCO''). The Department is preliminarily rescinding this review with respect to Tung Mung, China Steel, Chain Chon and Ta Chen because information from U.S. Customs and Border Protection (''CBP'') supports their claims that they did not sell or ship subject merchandise to the United States during the POR. The Department is basing the preliminary results for the following six companies on total adverse facts available (''AFA'') because they failed to provide any response to the Department's requests for information: Tang Eng, PFP Taiwan, Yieh Loong, Yieh Trading, Goang Jau Shing, and Chien Shing. Additionally, the Department is basing the preliminary results for Yieh Mau on total AFA because CBP data call into question Yieh Mau's claim that it did not sell subject merchandise to the United States during the POR. The Department has preliminarily determined that Chia Far sold subject merchandise at less than normal value (''NV'') during the POR and that no dumping margin exists for YUSCO for this period. If these preliminary results are adopted in our final results of administrative review, we will instruct CBP to assess antidumping duties on all appropriate entries. Interested parties are invited to comment on these preliminary results of review. We will issue the final results of review no later than 120 days from the date of publication of this notice.

FOR FURTHER INFORMATION CONTACT: Melissa Blackledge or Karine Gziryan; Antidumping and Countervailing Duty Enforcement Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482–3518 and (202) 482–4081, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 21, 1999, the Department issued an antidumping duty order on SSSS from Taiwan. *See Notice of Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils From United Kingdom, Taiwan and South Korea,* 64 FR 40555 (July 27, 1999). On July 2, 2003, the Department published a notice of opportunity to request the fourth administrative review of this order. *See Antidumping or Countervailing Duty Order, Finding, or*

[1] The petitioners in this administrative review are Allegheny Ludlum, AK Steel Corporation, Butler Armco Independent Union, J&L Specialty Steel, Inc., United Steelworkers of America, AFL–CIO/CLC, and Zanesville Armco Independent Organization.

Suspended Investigation; Opportunity to Request Administrative Review, 68 FR 39511 (July 2, 2003). On July 24, 2003, respondent Chia Far requested that the Department conduct an administrative review of its sales of subject merchandise. On July 30, 2003, in accordance with 19 CFR 351.213(b), petitioners requested an administrative review of thirteen manufacturers/exporters of SSSS from Taiwan: Chia Far, YUSCO, Tung Mung, Goang Jau Shing, PFP Taiwan, Yieh Loong, Tang Eng, Yieh Trading, Chien Shing, Ta Chen, China Steel, Yieh Mau, and Chain Chon. On August 22, 2003, the Department published a notice of initiation of the instant administrative review, covering twelve of the thirteen respondents cited above for the period July 1, 2002 through June 30, 2003. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part,* 68 FR 50750 (August 22, 2003). On September 30, 2003, the Department published a notice initiating the instant administrative review of Chia Far for the period July 1, 2002 through June 30, 2003 (Chia Far was inadvertently omitted from the earlier notice of initiation). *See Initiation of Antidumping and Countervailing Duty Administrative Reviews, Request for Revocation in Part and Deferral of Administrative Review,* 68 FR 56262 (September 30, 2003).

On September 11, 2003, the Department issued its antidumping questionnaire to each of the thirteen manufacturers/exporters listed above. In October 2003, Ta Chen, Chain Chon, and China Steel responded to the Department's antidumping questionnaire by noting that they did not sell or ship subject merchandise to the United States during the POR.[2] In October and November 2003, Chia Far and YUSCO responded to the Department's antidumping questionnaire. Subsequently, the Department issued supplemental questionnaires to Chia Far and YUSCO. Chia Far and YUSCO responded to all of the Department's questionnaires in a timely manner. Throughout this administrative review, petitioners have submitted comments regarding the respondents' questionnaire responses.

On February 5, 2004, the Department extended the deadline for issuing the preliminary results in this administrative review until May 31, 2004. *See Stainless Steel Sheet and Strip in Coils From Taiwan: Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Review,* 69 FR 5497 (February 5, 2004).

On February 24, 2004, the Department notified the following companies that failure to respond to the Department's requests for information by March 9, 2004, would possibly result in the use of AFA in determining their dumping margins: Tang Eng, Goang Jau Shing, Chien Shing, China Steel, PFP Taiwan, Yieh Trading, Yieh Mau, and Yieh Loong. Yieh Mau responded by stating that it did not sell subject merchandise in the United States during the POR. In addition, on March 9, 2004, the Department placed on the record China Steel's October 2, 2003 questionnaire response indicating that it did not sell subject merchandise to the United States during the POR. On June 7, 2004, the Department notified Tung Mung that it must report, by June 15, 2004, whether it sold or shipped subject merchandise to the United States during the POR, otherwise the Department may use AFA in determining the company's dumping margin. Tung Mung responded by letter on June 15, 2004, stating that it had no shipments of subject merchandise during the POR.

On December 18, 2003, petitioners submitted comments alleging that there has been a substantial shift in U.S. imports of merchandise from Taiwan away from the Harmonized Tariff Schedule (HTS) subheadings for stainless steel ''coiled sheet'' to HTS subheadings for ''other'' flat-rolled stainless steel products, a subheading that may include both subject coiled and non-subject non-coiled products. Accordingly, petitioners requested that the Department obtain information regarding imports under certain ''other'' HTS subheadings for flat-rolled stainless steel products. The Department subsequently requested information from CBP regarding selected entries under various ''other'' HTS subheadings for flat-rolled stainless steel products. *See* Memorandum from Edward Yang to Michael S. Craig, U.S. Customs and Border Protection, Request for U.S. Entry Documents, dated April 9, 2004 (April 9, 2004 Data Request). On April 20, 2004, petitioners asked the Department to obtain and place on the record additional information regarding entries under certain ''other'' HTS subheadings for flat-rolled stainless steel products. On June 14, 2004, the Department placed certain CBP data on the record of this proceeding. *See* Memorandum From Melissa Blackledge To The File, U.S. Customs and Border Protection Data Query Results, dated June 14, 2004. The documents obtained from CBP for selected entries under various ''other'' HTS subheadings for flat-rolled stainless steel products do not indicate that the merchandise entering the United States is subject merchandise. *See* Memorandum from Karine Gziryan to the File regarding documentation provided by CBP, dated July 30, 2004.

On March 31, 2004, the Department again extended the deadline for issuing the preliminary results in this administrative review until July 30, 2004. *See Stainless Steel Sheet and Strip in Coils From Taiwan: Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Review,* 69 FR 18053 (April 6, 2004).

Scope of the Review

The products covered by the order on SSSS from Taiwan are certain stainless steel sheet and strip in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product in coils that is greater than 9.5 mm in width and less than 4.75 mm in thickness, and that is annealed or otherwise heat treated and pickled or otherwise de-scaled. The subject sheet and strip may also be further processed (*e.g.*, cold-rolled, polished, aluminized, coated, *etc.*) provided that it maintains the specific dimensions of sheet and strip following such processing.

The merchandise subject to this order is currently classifiable in the HTS at subheadings: 7219.13.00.31, 7219.13.00.51, 7219.13.00.71, 7219.13.00.81, 7219.14.00.30, 7219.14.00.65, 7219.14.00.90, 7219.32.00.05, 7219.32.00.20, 7219.32.00.25, 7219.32.00.35, 7219.32.00.36, 7219.32.00.38, 7219.32.00.42, 7219.32.00.44, 7219.33.00.05, 7219.33.00.20, 7219.33.00.25, 7219.33.00.35, 7219.33.00.36, 7219.33.00.38, 7219.33.00.42, 7219.33.00.44, 7219.34.00.05, 7219.34.00.20, 7219.34.00.25, 7219.34.00.30, 7219.34.00.35, 7219.35.00.05, 7219.35.00.15, 7219.35.00.30, 7219.35.00.35, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.12.10.00, 7220.12.50.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.20.70.05, 7220.20.70.10, 7220.20.70.15, 7220.20.70.60, 7220.20.70.80, 7220.20.80.00, 7220.20.90.30, 7220.20.90.60, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and

[2] On October 9, 2003, the Department notified China Steel that its questionnaire response was improperly filed.

7220.90.00.80. Although the HTS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise covered by this order is dispositive.

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

In response to comments by interested parties, the Department also determined that certain specialty stainless steel products were excluded from the scope of the investigation and the subsequent order. These excluded products are described below.

Flapper valve steel is defined as stainless steel strip in coils containing, by weight, between 0.37 and 0.43 percent carbon, between 1.15 and 1.35 percent molybdenum, and between 0.20 and 0.80 percent manganese. This steel also contains, by weight, phosphorus of 0.025 percent or less, silicon of between 0.20 and 0.50 percent, and sulfur of 0.020 percent or less. The product is manufactured by means of vacuum arc remelting, with inclusion controls for sulphide of no more than 0.04 percent and for oxide of no more than 0.05 percent. Flapper valve steel has a tensile strength of between 210 and 300 ksi, yield strength of between 170 and 270 ksi, plus or minus 8 ksi, and a hardness (Hv) of between 460 and 590. Flapper valve steel is most commonly used to produce specialty flapper valves in compressors.

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

Certain stainless steel foil for automotive catalytic converters is also excluded from the scope of the order. This stainless steel strip in coils is a specialty foil with a thickness of between 20 and 110 microns used to produce a metallic substrate with a honeycomb structure for use in automotive catalytic converters. The steel contains, by weight, carbon of no more than 0.030 percent, silicon of no more than 1.0 percent, manganese of no more than 1.0 percent, chromium of between 19 and 22 percent, aluminum of no less than 5.0 percent, phosphorus of no more than 0.045 percent, sulfur of no more than 0.03 percent, lanthanum of less than 0.002 or greater than 0.05 percent, and total rare earth elements of more than 0.06 percent, with the balance iron. Permanent magnet iron-chromium-cobalt alloy stainless strip is also excluded from the scope of this order. This ductile stainless steel strip contains, by weight, 26 to 30 percent chromium, and 7 to 10 percent cobalt, with the remainder of iron, in widths 228.6 mm or less, and a thickness between 0.127 and 1.270 mm. It exhibits magnetic remanence between 9,000 and 12,000 gauss, and a coercivity of between 50 and 300 oersteds. This product is most commonly used in electronic sensors and is currently available under proprietary trade names such as ''Arnokrome III.'' ''Arnokrome III'' is a trademark of the Arnold Engineering Company.

Certain electrical resistance alloy steel is also excluded from the scope of this order. This product is defined as a non-magnetic stainless steel manufactured to American Society of Testing and Materials (''ASTM'') specification B344 and containing, by weight, 36 percent nickel, 18 percent chromium, and 46 percent iron, and is most notable for its resistance to high temperature corrosion. It has a melting point of 1390 degrees Celsius and displays a creep rupture limit of 4 kilograms per square millimeter at 1000 degrees Celsius. This steel is most commonly used in the production of heating ribbons for circuit breakers and industrial furnaces, and in rheostats for railway locomotives. The product is currently available under proprietary trade names such as ''Gilphy 36.'' ''Gilphy 36'' is a trademark of Imphy, S.A.

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

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of the order. These include stainless steel strip in coils used in the production of textile cutting tools (*e.g.*, carpet knives). This steel is similar to AISI grade 420, but containing, by weight, 0.5 to 0.7 percent of molybdenum. The steel also contains, by weight, carbon of between 1.0 and 1.1 percent, sulfur of 0.020 percent or less, and includes between 0.20 and 0.30 percent copper and between 0.20 and 0.50 percent cobalt. This steel is sold under proprietary names such as ''GIN4 Mo.'' The second excluded stainless steel strip in coils is similar to AISI 420–J2 and contains, by weight, carbon of between 0.62 and 0.70 percent, silicon of between 0.20 and 0.50 percent, manganese of between 0.45 and 0.80 percent, phosphorus of no more than 0.025 percent and sulfur of no more than 0.020 percent. This steel has a carbide density on average of 100 carbide particles per 100 square microns. An example of this product is ''GIN5'' steel. The third specialty steel has a chemical composition similar to AISI 420 F, with carbon of between 0.37 and 0.43 percent, molybdenum of between 1.15 and 1.35 percent, but lower manganese of between 0.20 and 0.80 percent, phosphorus of no more than 0.025 percent, silicon of between 0.20 and 0.50 percent, and sulfur of no more than 0.020 percent. This product is supplied with a hardness of more than Hv 500 guaranteed after customer processing, and is supplied as, for example, ''GIN6.'' This list of uses is

illustrative and provided for descriptive purposes only. ''GIN4 Mo,'' ''GIN5'' and ''GIN6'' are the proprietary grades of Hitachi Metals America, Ltd.

Partial Preliminary Rescission of Review

Five respondents, Ta Chen, Yieh Mau, Chain Chon, Tung Mung, and China Steel, certified to the Department that they did not ship subject merchandise to the United States during the POR. The Department subsequently obtained CBP information in order to substantiate the respondents' claims. *See* Memorandum From Melissa Blackledge To The File, U.S. Customs and Border Protection Data Query Results, dated June 14, 2004. On June 21, 2004, petitioners submitted comments on the CBP information. During June and July 2004, the Department requested additional information from Ta Chen, Yieh Mau, and CBP regarding certain U.S. entries during the POR (CBP entry documentation relating to Chain Chon had already been requested in the Department's April 9, 2004 Data Request). *See* Memoranda from Tom Futtner to William R. Scopa, U.S. Customs and Border Protection, Request for U.S. Entry Documents, dated June 29, 2004, July 1, 2004, and July 7, 2004 (''CBPRED Memoranda''). On July 19, 2004, Yieh Mau submitted a letter stating it had reviewed its records and found no sales of subject merchandise to the United States during the POR. On July 21, 2004, Ta Chen submitted documentation supporting its claim of no sales of subject merchandise to the United States during the POR.

CBP data call into question the no shipment claim of Yieh Mau and the company failed to demonstrate that it did not sell subject merchandise to the United States during the POR. Therefore, the Department has preliminarily determined not to rescind this administrative review with respect to Yieh Mau. Rather, as explained below, the Department has preliminarily assigned a dumping margin to Yieh Mau that is based on total AFA. The Department is awaiting additional information from CBP regarding certain entries of Yieh Mau's merchandise during the POR. The Department will consider this additional information in reaching its final determination with respect to Yieh Mau.

Thus, the evidence on the record does not indicate that Ta Chen, Chain Chon, Tung Mung, or China Steel exported subject merchandise to the United States during the POR. Therefore, in accordance with 19 CFR 351.213(d)(3) and consistent with the Department's practice, we are preliminarily rescinding our review with respect to Ta Chen, Chain Chon, Tung Mung and China Steel. *See, e.g., Certain Welded Carbon Steel Pipe and Tube From Turkey; Final Results and Partial Rescission of Antidumping Administrative Review,* 63 FR 35190, 35191 (June 29, 1998); *Certain Fresh Cut Flowers From Columbia; Final Results and Partial Rescission of Antidumping Duty Administrative Review,* 62 FR 53287, 53288 (October 14, 1997).

Use of Facts Available

Section 776(a)(2) of the Tariff Act of 1930, as amended (''the Act''), provides that if any interested party: (A) Withholds information that has been requested by the Department; (B) fails to provide such information by the deadlines for submission of the information or in the form or manner requested; (C) significantly impedes an antidumping investigation; or (D) provides such information but the information cannot be verified, the Department shall, subject to section 782(d) of the Act, use facts otherwise available in making its determination.

Section 782(d) of the Act provides that, if the Department determines that a response to a request for information does not comply with the request, the Department will inform the person submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that person the opportunity to remedy or explain the deficiency. If that person submits further information that continues to be unsatisfactory, or this information is not submitted within the applicable time limits, the Department may, subject to section 782(e) of the Act, disregard all or part of the original and subsequent responses, as appropriate.

The evidence on the record of this review establishes that, pursuant to section 776(a)(2)(A) of the Act, the use of total facts available is warranted in determining the dumping margin for Tang Eng, PFP Taiwan, Yieh Loong, Yieh Trading, Goang Jau Shing, Chien Shing, and Yieh Mau because these companies failed to provide requested information. Specifically, these companies failed to respond to the Department's antidumping questionnaire. OnFebruary 24, 2004, the Department informed these companies that failure to respond to its requests for information by March 9, 2004, would possibly result in the use of AFA in determining their dumping margins. Six of these manufacturers/exporters did not respond to the Department's February 24, 2004 letter. Although Yieh Mau responded to the Department's February 24, 2004 letter by claiming not to have sold subject merchandise to the United States during the POR, record evidence indicates that such sales may have taken place and yet, Yieh Mau did not provide any of the requested information that would allow the Department to calculate a dumping margin for these sales. *See* Yieh Mau's March 6, 2004 response to the Department's February 24, 2004 letter and July 13, 2004 response to the Department's supplemental questionnaire.

Because these respondents failed to provide any of the necessary information requested by the Department, pursuant to section 776(a)(2)(A) of the Act, we have based the dumping margins for these companies on the facts otherwise available.

Use of Adverse Inferences

Section 776(b) of the Act states that if the Department ''finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority or the Commission, the administering authority or the Commission * * *, in reaching the applicable determination under this title, may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available.'' *See also* Statement of Administrative Action (''SAA'') accompanying the Uruguay Round Agreements Act (URAA), H. Rep. No. 103–316 at 870 (1994). Section 776(b) of the Act goes on to note that an adverse inference may include reliance on information derived from (1) the petition; (2) a final determination in the investigation under this title; (3) any previous review under section 751 or determination under section 753, or (4) any other information on the record.

Adverse inferences are appropriate ''to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.'' *See* SAA at 870; *Borden, Inc.* v. *United States,* 4 F. Supp. 2d 1221 (CIT 1998); *Mannesmannrohren-Werke AG* v. *United States,* 77 F. Supp. 2d 1302 (CIT 1999). The Court of Appeals for the Federal Circuit (CAFC), in *Nippon Steel Corporation* v. *United States,* 337 F.3d 1373, 1380 (Fed. Cir. 2003), provided an explanation of the ''failure to act to the best of its ability'' standard, holding that the Department need not show intentional conduct existed on the part of the respondent, but merely that a ''failure to cooperate to the best of a respondent's ability'' existed, *i.e.*, information was not provided ''under circumstances in which it is reasonable

to conclude that less than full cooperation has been shown.'' *Id.*

The record shows that Tang Eng, PFP Taiwan, Yieh Loong, Yieh Trading, Goang Jau Shing, Chien Shing, and Yieh Mau failed to cooperate to the best of their abilities, within the meaning of section 776(b) of the Act. As noted above, Tang Eng, PFP Taiwan, Yieh Loong, Yieh Trading, Goang Jau Shing, and Chien Shing failed to provide any response to the Department's requests for information. Yieh Mau responded to the Department's requests for information but, preliminarily, the Department has determined that it inaccurately reported that it did not sell subject merchandise to the United States during the POR. As a general matter, it is reasonable for the Department to assume that these companies possessed the records necessary to participate in this review; however, by not supplying the information the Department requested, these companies failed to cooperate to the best of their abilities. As these companies have failed to cooperate to the best of their abilities, we are applying an adverse inference in determining their dumping margin pursuant to section 776(b) of the Act. As AFA, we have assigned these companies a dumping margin of 21.10 percent, which is the highest appropriate dumping margin [3] from this or any prior segment of the instant proceeding. This rate was the highest petition margin and was used as AFA in a number of segments of the instant proceeding. *See e.g. Stainless Steel Sheet and Strip from Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review,* 67 FR 6682 (February 13, 2002) (*1999–2000 AR of SSSS from Taiwan*). *See also Stainless Steel Sheet and Strip in Coils From Taiwan: Notice of Court Decision,* 67 FR 63887 (October 16, 2002).

The Department notes that while the highest dumping margin calculated during this or any prior segment of the instant proceeding is 36.44 percent, as argued by petitioners, this margin represents a combined rate applied to a channel transaction in the investigative phase of this proceeding and it is based on middleman dumping by Ta Chen. *See Final Results of Redetermination Pursuant to Court Remand,* (Nov. 29, 2000) affirmed by 219 F. Supp. 2d 1333, 1345 (CIT 2002), aff'd 354 F. 3d 1371, 1382 (Fed. Cir. 2004). Where circumstances indicate that a particular dumping margin is not appropriate as AFA, the Department will disregard the margin and determine another more appropriate one as facts available. *See Fresh Cut Flowers From Mexico; Final Results of Antidumping Duty Administrative Review,* 61 FR 6812, 6814 (February 22, 1996) (where the Department disregarded the highest dumping margin for use as AFA because the margin was based on another company's uncharacteristic business expense, resulting in an unusually high dumping margin). Because a dumping margin based on middleman dumping would be inappropriate, given that the record does not indicate that any of Tang Eng's, PFP Taiwan's, Yieh Loong's, Yieh Trading's, Goang Jau Shing's, Chien Shing's, or Yieh Mau's exports to the United States during the POR involved a middleman, the Department has, consistent with previous reviews, continued to use as AFA the highest dumping margin from any segment of the proceeding for a producer's direct exports to the United States, without middleman dumping, which is 21.10 percent.

Section 776(c) of the Act requires that the Department, to the extent practicable, corroborate secondary information from independent sources that are reasonably at its disposal. Secondary information is defined as ''{i}nformation derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise.'' *See* SAA at 870. The SAA clarifies that ''corroborate'' means that the Department will satisfy itself that the secondary information to be used has probative value. *See* SAA at 870. As noted in *Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews,* 61 FR 57391, 57392 (November 6, 1996), to corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information.

The rate of 21.10 percent constitutes secondary information. The Department corroborated the information used to establish the 21.10 percent rate in the less than fair value (LTFV) investigation in this proceeding, finding the information to be both reliable and relevant. *See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From Taiwan,* 64 FR 30592, 30592 (June 8, 1999) (*Final Determination*); *see also 1999–2000 AR of SSSS from Taiwan,* 67 FR 6682, 6684 and accompanying *Issues and Decision Memorandum* at Comment 28. Nothing on the record of this instant administrative review calls into question the reliability of this rate. Furthermore, with respect to the relevancy aspect of corroboration, the Department will consider information reasonably at its disposal as to whether there are circumstances that would render a margin not relevant. As discussed above, in selecting this margin, the Department considered whether a margin derived from middleman dumping was relevant to Tang Eng's, PFP Taiwan's, Yieh Loong's, Yieh Trading's, Goang Jau Shing's, Chien Shing's, or Yieh Mau's commercial experience, and determined the use of this margin was inappropriate. The Department has determined that there is no evidence on the record of this case, however, which would render the 21.10 percent dumping margin irrelevant. Thus, we find that the rate of 21.10 percent is sufficiently corroborated for purposes of the instant administrative review.

Duty Absorption

On September 22, 2003, petitioners requested that the Department determine whether the thirteen respondents absorbed antidumping duties during the POR. Section 751(a)(4) of the Act, provides for the Department, if requested, to determine, during an administrative review initiated two or four years after the publication of the order, whether antidumping duties have been absorbed by a foreign producer or exporter, if the subject merchandise is sold in the United States through an affiliated importer. Because Chia Far is the only respondent to report sales of subject merchandise to unaffiliated customers in the United States through an affiliated importer, and because this review was initiated four years after the publication of the order, we will make a duty absorption determination with respect to Chia Far in this segment of the proceeding within the meaning of section 751(a)(4) of the Act.

On July 12, 2004, the Department requested that Chia Far provide evidence demonstrating that unaffiliated U.S. purchasers will pay any antidumping duties ultimately assessed on entries during the POR. In its response, submitted to the Department on July 19, 2004, Chia Far provided a statement from the unaffiliated customer of its U.S. affiliated importer as evidence that it has not absorbed antidumping duties. In determining whether Chia Far absorbed antidumping

[3] Before adding the impact of middlemen dumping for merchandise manufactured by YUSCO and sold by Ta Chen.

duties during the POR, the Department presumes that duties will be absorbed for those sales that have been made at less than NV. This presumption can be rebutted with evidence (*e.g.*, an enforceable agreement between the affiliated importer and unaffiliated purchaser) that the unaffiliated purchaser will pay the full duty ultimately assessed on the subject merchandise.

Although Chia Far claims that the unaffiliated U.S. customer paid antidumping duties, it did not provide sufficient evidence that the unaffiliated U.S. customer always pays antidumping duties nor did Chia Far provide an agreement with its unaffiliated purchaser stating that the unaffiliated purchaser will pay the full duty ultimately assessed on the subject merchandise. Therefore, we preliminarily find that Chia Far absorbed antidumping duties on all U.S. sales made through its affiliated importer. The Department will notify the International Trade Commission (''ITC'') of its finding regarding such duty absorption for the ITC to consider in conducting a five-year review of the order on SSSS from Taiwan under section 751(c) of the Act.

Affiliation

A. China Steel and Yieh Loong Enterprise Co. Ltd.

Petitioners contend that YUSCO is affiliated with two other companies named as respondents in this review, China Steel (and its affiliates), and Yieh Loong, companies that YUSCO did not identify as its affiliates. *See* petitioners' January 6, 2004 submission to the Department. In the previous administrative review of SSSS from Taiwan, covering the period July 1, 2001 through June 30, 2002, petitioners also contended that YUSCO was affiliated with China Steel and Yieh Loong. However, the Department determined in that review that these companies were not affiliated with YUSCO. *See Stainless Steel Sheet and Strip in Coils From Taiwan: Final Results and Partial Rescission of Antidumping Duty Administrative Review,* 69 FR 5960 (February 9, 2004) and accompanying *Issues and Decision Memorandum* at Comment 3. Because petitioners have not provided any new evidence indicating a change in the relationship between these companies, we continue to find that YUSCO is not affiliated with China Steel or Yieh Loong.

B. Home Market Customers

Petitioners contend that, in the instant administrative review, YUSCO failed to acknowledge certain affiliations that it identified in the prior two administrative reviews of SSSS from Taiwan. According to petitioners, some of the unnamed, potentially affiliated parties appear on customer lists provided by YUSCO in the instant administrative review. Specifically, petitioners identify three companies that they claim are affiliated with YUSCO and urge the Department to find YUSCO's sales to these companies to be affiliated-party sales (petitioners note that none of these affiliated parties reported downstream sales of SSSS). *See* petitioners' July 15, 2004 submission to the Department at 4 and 5.

For these preliminary results, we have not found the three companies at issue to be affiliated with YUSCO. As an initial matter, there is no evidence on the record that YUSCO sold SSSS to two of the companies identified by petitioners as potential affiliates of YUSCO. Additionally, in their July 15, 2003 submission, petitioners make certain assertions regarding stock ownership by individuals and investment companies without providing support for their assertions.

Identifying Home Market Sales

Section 773 (a)(1)(B) of the Act defines NV as the price at which foreign like product is first sold (or, in the absence of a sale, offered for sale) for consumption in the exporting country (home market), in the usual commercial quantities and in the ordinary course of trade and, to the extent practicable, at the same level of trade as the export price (''EP'') or constructed export price (''CEP''). In implementing this provision, the Court of International Trade (''CIT'') has found that sales should be reported as home market sales if the producer ''knew or should have known that the merchandise {it sold} was * * * for home consumption based upon the particular facts and circumstances surrounding the sales.'' *See Tung Mung Development Co., Ltd. & Yieh United Steel Corp.* v. *United States and Allegheny Ludlum Corp. et al.,* Slip Op. 01–83 (CIT 2001); *citing INA Walzlager Schaeffler KG* v. *United States,* 957 F. Supp. 251 (1997). Conversely, if the producer knew or should have known the merchandise that it sold to home market customers was not for home market consumption, it should exclude such sales from its home market sales database. Even though a producer may sell merchandise destined for exportation by a home market customer, if that merchandise is used to produce non-subject merchandise in the home market, it is consumed in the home market and such sales will be considered to be home market sales. *See Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Plate Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate From Korea,* 58 FR 37176, 37182 (July 9, 1993).

The issue of whether respondents have properly reported home market sales has arisen in each of the prior segments of the instant proceeding. It is also an issue in the instant administrative review.

YUSCO

In its October 31, 2003 response to section B of the Department's antidumping questionnaire, YUSCO stated that it included in its home market sales database ''all sales that the Department may find relevant in light of the Department's final determination in the original investigation, and the U.S. Court of International Trade's decision in *Allegheny Ludlum* v. *United States,* Slip Op. 00–170 (Dec. 28, 2000)'' (*Allegheny Ludlum*).[4] Specifically, YUSCO included in its home market sales database sales that it classified in its books and records as domestic sales, indirect export sales, and sales to a home market customer's bonded warehouse. YUSCO also reported downstream sales of its Taiwanese affiliate.

Throughout the instant administrative review, petitioners have questioned the accuracy of YUSCO's home market sales database. Specifically, petitioners claim that YUSCO has not properly applied the knowledge test to each sale at the time of sale and has relied on a flawed internal order system in classifying and reporting its sales. As a result, petitioners maintain that the Department cannot rely upon the sales databases submitted by YUSCO and

[4] In the investigative phase of this proceeding, the Department based YUSCO's dumping margin on total adverse facts available because the company failed to report its indirect export sales as home market sales. In *Allegheny Ludlum,* YUSCO challenged, among other things, the Department's final determination in stainless steel plate in coils from Taiwan wherein the Department found that (1) certain sales characterized by YUSCO as indirect export sales were in fact home market sales and (2) YUSCO's failure to report these sales warranted basing YUSCO's dumping margin on total adverse facts available. *See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils From* Taiwan, 64 FR 15493 (March 31, 1999). The CIT ruled that the Department properly considered YUSCO's indirect export sales to be home market sales and properly resorted to the use of total adverse facts available.

must base the company's dumping margin on total AFA. *See* petitioners' July 15, 2004 submission to the Department at 8 and 9.

For these preliminary results, we have not rejected YUSCO's sales databases in favor of total AFA because we have determined that there is information on the record indicating whether YUSCO knew, or should have known, the merchandise that it sold was for consumption in the home market based upon the particular facts and circumstances surrounding the sales. Thus, there is information on the record that allows the Department to identify YUSCO's home market sales. Specifically, YUSCO reported that it sold SSSS to a certain home market customer who was planning to further process the SSSS and then export the merchandise. Further, YUSCO delivered the merchandise to this customer at a location that had facilities to further process the SSSS. *See* YUSCO's June 10, 2004 supplemental questionnaire response at 9. Because the record indicates that YUSCO knew at the time of sale that this merchandise would be consumed in the home market, the Department has preliminarily considered these ''indirect export'' sales to be home market sales. For all other ''indirect export'' sales, YUSCO stated ''it arranged the vessel and shipped the merchandise to assigned foreign seaports and/or shipped the merchandise directly to the dock, along side ship and/or to {an associated facility}.'' *See id.* at 11. Sample sales documentation indicates that YUSCO knew it was to make such arrangements at the time of sale. Thus, for the preliminary results, the Department has not considered these ''indirect export'' sales to be home market sales. YUSCO also reported its Taiwanese affiliate's ''indirect export'' sales. The record indicates that most of these ''indirect sales'' were delivered to the port, and thus it appears that the Taiwanese affiliate knew at the time of sale that these sales were not going to be consumed in the home market. Therefore, for the preliminary results, the Department has not considered these ''indirect export'' sales to be home market sales. Lastly, with respect to YUSCO's sales to a home market customer's bonded warehouse, as was the case in the prior administrative review of this order, YUSCO established that the legal purpose of a bonded warehouse is to further process and then export merchandise and there is no evidence on the record that the SSSS sold to the bonded warehouse was eventually exported as subject merchandise or sold in the home market as subject merchandise. Therefore, consistent with the approach taken in the prior administrative review of this order, we have considered YUSCO's sales to the bonded warehouse of one of its home market customers to be home market sales.

Chia Far

In its April 29, 2004 supplemental questionnaire response, Chia Far stated that it has reason to believe that some of the home market customers to whom it sold SSSS during the POR may have exported the merchandise. Specifically, Chia Far indicated that it normally delivers SSSS by loading it onto a truck; however, for certain customers, it packed the SSSS in ocean containers which it delivered to a container yard or which the customer picked up. *See* Chia Far's April 29, 2004 supplemental response at 1 and its October 31, 2003 response to sections B through D of the antidumping questionnaire at 2. Also, Chia Far noted that many of the customers for whom it packed SSSS in containers are end users with production facilities in mainland China. Although Chia Far stated that it does not definitively know whether the SSSS in question will be exported, the Department has preliminarily determined that, based on the circumstances surrounding the sales, Chia Far should have known that the SSSS in question was not for consumption in the home market. Therefore, the Department has preliminarily excluded these sales from Chia Far's home market sales database.

Normal Value Comparisons

To determine whether YUSCO and Chia Far's sales of subject merchandise to the United States were made at less than NV, we compared the EP and CEP, as appropriate, to NV, as described in the ''Export Price and Constructed Export Price'' and ''Normal Value'' sections of this notice, below. In accordance with section 777A of the Act, we calculated monthly weighted-average prices for NV and compared these to individual EP and CEP transactions.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products covered by the description in the ''Scope of the Review'' section of this notice, supra, and sold by YUSCO and Chia Far in the comparison market during the POR to be foreign like product for the purpose of determining appropriate product comparisons to SSSS sold in the United States. In determining which sales of foreign like product to compare to U.S. sales of subject merchandise, we relied on the following nine product characteristics, listed in order of importance: grade, hot or cold-rolled, gauge, surface finish, metallic coating, non-metallic coating, width, temper, and edge. We first attempted to compare contemporaneous U.S. and comparison-market sales of products that are identical with respect to the product characteristics listed above. Where we were unable to compare sales of identical merchandise, we compared U.S. sales of product to the most similar foreign like product based on the above characteristics and the reporting instructions in the September 11, 2003 antidumping questionnaire. Where there were no appropriate sales of foreign like product to compare to a U.S. sale, we compared the price of the U.S. sale to constructed value (''CV'').

Export Price and Constructed Export Price

In accordance with section 772(a) of the Act, EP is the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States. 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.

YUSCO

For purposes of the instant administrative review, YUSCO classified its U.S. sales as EP sales, stating that it sold SSSS to unaffiliated customers in the United States during the POR. We based U.S. price on EP as defined in section 772(a) of the Act because the merchandise was sold, prior to importation, outside the United States by YUSCO to an unaffiliated purchaser in the United States. We calculated EP using packed prices to unaffiliated purchasers in the United States. We made deductions from the starting price for inland freight (from YUSCO's plant to the port of exportation), international freight, brokerage and handling charges, container handling fees, certification fees, fumigation fees, and marine

insurance expenses in accordance with section 772(c) of the Act. We made no changes or corrections to the U.S. sales information reported by YUSCO in calculating YUSCO's dumping margin.

Chia Far

For purposes of the instant administrative review, Chia Far classified its sales as either EP or CEP sales. We based U.S. price on EP, as defined in section 772(a) of the Act, for sales of subject merchandise that were sold, prior to importation, outside the United States by Chia Far to an unaffiliated purchaser in the United States. We calculated EP using packed prices to unaffiliated purchasers in the United States. We made deductions from the starting price for movement expenses including: foreign inland freight expense (from Chia Far's plant to the port of exportation), brokerage and handling expense, international ocean freight expense, marine insurance expense, container handling charges, and harbor construction fees. Additionally, we added to the starting price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act.

We based U.S. price on CEP, as defined in section 772(a) of the Act, for sales of subject merchandise that were sold, after importation, by Lucky Medsup, Chia Far's affiliated reseller, to unaffiliated purchasers in the United States. We calculated CEP using packed prices to the first unaffiliated purchaser in the United States. We made deductions from the starting price for movement expenses including: foreign inland freight expense (from Chia Far's plant to the port of exportation), brokerage and handling expense, international ocean freight expense, marine and inland insurance expense, container handling charges, harbor construction fees, other U.S. transportation expenses and U.S. duty. Additionally, we added to the starting price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act. In accordance with section 772(d)(1) of the Act, we deducted from the starting price selling expenses associated with economic activities occurring in the United States, including direct and indirect selling expenses.

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

Normal Value

After testing home market viability, whether home market sales to affiliates were at arm's-length prices, and whether home market sales were at below-cost prices, we calculated NV as noted in the ''Price-to-Price Comparisons'' and ''Price-to-CV Comparisons'' sections of this notice.

1. Home Market Viability

In accordance with section 773(a)(1)(B) of the Act, to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is greater than or equal to five percent of the aggregate volume of U.S. sales), we separately compared the aggregate volume of YUSCO's and Chia Far's home market sales of the foreign like product to the aggregate volume of their U.S. sales of subject merchandise. Because the aggregate volume of YUSCO's and Chia Far's home market sales of the foreign like product is greater than five percent of the aggregate volume of their U.S. sales of subject merchandise, we determined that the home market is viable for each of these respondents and have used the home market as the comparison-market.

2. Arm's-Length Test

YUSCO reported that it made sales in the home market to affiliated and unaffiliated end users and distributors/retailers. The Department may calculate NV based on sales to an affiliated party only if it is satisfied that the prices charged to the affiliated party are comparable to the prices at which sales were made to parties not affiliated with the producer, *i.e.*, sales at arm's-length. *See* section 773(f)(2) of the Act and 19 CFR 351.403(c). Where the home market prices charged to an affiliated customer were, on average, found not to be arm's-length prices, sales to the affiliated customer were excluded from our analysis. To test whether YUSCO's sales to affiliates were made at arm's-length prices, the Department compared the starting prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, and packing. Pursuant to 19 CFR 351.403(c), and in accordance with the Department's practice, when the prices charged to affiliated parties were, on average, between 98 and 102 percent of the prices charged to unaffiliated parties for merchandise comparable to that sold to the affiliated party, we determine that the sales to the affiliated party were at arm's-length prices. *See Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade,* 67 FR 69186 (November 15, 2002). YUSCO's affiliated home market customer did not pass the arm's-length test. Therefore, we have considered the downstream sales from this affiliate to the first unaffiliated customer.

3. Cost of Production (''COP'') Analysis

In the previous administrative review in this proceeding, the Department determined that YUSCO and Chia Far sold foreign like product in the home market at prices below the cost of producing the merchandise and excluded such sales from the calculation of NV. Based on the results of the previous administrative review, the Department has determined that there are reasonable grounds to believe or suspect that during the instant POR, YUSCO and Chia Far sold foreign like product in the home market at prices below the cost of producing the merchandise. *See* section 773(b)(2)(A)(ii) of the Act. As a result, the Department initiated a cost of production inquiry for both YUSCO and Chia Far.

A. Calculation of COP

In accordance with section 773(b)(3) of the Act, for each unique foreign like product sold by a respondent during the POR, we calculated a weighted-average COP based on the sum of the respondent's materials and fabrication costs, home market selling general and administrative (''SG&A'') expenses, including interest expenses, and packing costs. Except as noted below, we relied on the COP data submitted by YUSCO in its cost and supplemental cost questionnaire responses. For these preliminary results, we revised the COP information submitted by YUSCO as follows: We increased the reported cost of major inputs to reflect the higher of the transfer price or market price as required by section 773(f)(2) of the Act. We adjusted YUSCO's reported interest expense ratio by subtracting net foreign exchange gains from interest expenses. We adjusted YUSCO's reported G&A expense ratio to exclude exchange gains incurred on accounts payable and to include employee bonuses and director's remuneration. *See* Analysis Memorandum for the Preliminary Results of Review for Stainless Steel Sheet and Strip in Coils From Taiwan—Yieh United Steel Corp., Ltd. (July 30,

2004) (''YUSCO Preliminary Analysis Memorandum'').

We relied on the COP data submitted by Chia Far in its cost and supplemental cost questionnaire responses, and for purposes of these preliminary results, we have made no changes to Chia Far's COP data in conducting the cost test. *See* Analysis Memorandum for the Preliminary Results of Review for Stainless Steel Sheet and Strip in Coils From Taiwan—Chia Far Industrial Factory Co., Ltd. (July 30, 2004) (''Chia Far Preliminary Analysis Memorandum'').

B. Test of Home Market Prices

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

C. Results of the COP Test

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

Based on this test, we disregarded below-cost sales. Where all sales of a specific product were at prices below the COP, we disregarded all sales of that product.

Price-to-Price Comparisons

Where it was appropriate to base NV on prices, we used the prices at which the foreign like product was first sold for consumption in Taiwan, in the usual commercial quantities, in the ordinary course of trade, and, to the extent possible, at the same level of trade (''LOT'') as the comparison EP or CEP sale.

We based NV on the prices of home market sales to unaffiliated customers and to affiliated customers to whom sales were made at arm's-length prices. We made price adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. In accordance with sections 773(a)(6)(A), (B), and (C) of the Act, where appropriate, we deducted from the starting price rebates, warranty expenses, movement expenses, home market packing costs, credit expenses and other direct selling expenses and added U.S. packing costs and, for NVs compared to EPs, credit expenses, and other direct selling expenses. In accordance with the Department's practice, where all contemporaneous matches to a U.S. sale resulted in difference-in-merchandise adjustments exceeding 20 percent of the cost of manufacturing the U.S. product, we based NV on CV.

Price-to-CV Comparisons

In accordance with section 773(a)(4) of the Act, we based NV on CV when we were unable to compare the U.S. sale to a home market sale of an identical or similar product. For each unique SSSS product sold by the respondent in the United States during the POR, we calculated a weighted-average CV based on the sum of the respondent's materials and fabrication costs, SG&A expenses, including interest expenses, packing costs, and profit. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product, in the ordinary course of trade, for consumption in Taiwan. We based selling expenses on weighted-average actual home market direct and indirect selling expenses. In calculating CV, we adjusted the reported costs as described in the COP section above.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same LOT as the EP or CEP sales. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on CV, that of the sales from which we derive SG&A expenses and profit. For EP sales, the U.S. LOT is also the level of the starting price sale, which is usually from the exporter to the importer. For CEP sales, it is the level of the constructed sale from the exporter to the importer. The Department adjusts the CEP, pursuant to section 772(d) of the Act, prior to performing the LOT analysis, as articulated by 19 CFR 351.412. *See Micron Technology, Inc.* v. *United States,* 243 F.3d, 1301, 1315 (Fed. Cir. 2001).

To determine whether NV sales are at a different LOT than the EP or CEP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(A)(7)(B) of the Act (the CEP offset provision). *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Plate from South Africa,* 62 FR 61731 (November 19, 1997).

In determining whether separate LOTs exist, we obtained information from YUSCO and Chia Far regarding the marketing stages for the reported U.S. and home market sales, including a description of the selling activities performed by YUSCO and Chia Far for each channel of distribution. Generally, if the reported LOTs are the same, the functions and activities of the seller at each level should be similar. Conversely, if a party reports that LOTs are different for different groups of sales, the selling functions and activities of the seller for each group should be dissimilar.

In the present review, neither YUSCO nor Chia Far requested a LOT adjustment (in addition, Chia Far did not request a CEP offset). However, in order to determine whether an adjustment was necessary, in accordance with the principles discussed above, we examined information regarding the distribution

systems in both the United States and home markets, including the selling functions, classes of customer, and selling expenses.

YUSCO

YUSCO reported that it sold foreign like product in the home market through one channel of distribution and at one LOT. *See* YUSCO's October 31, 2003 Questionnaire Response at B–29. In this channel of distribution, YUSCO provided the following selling functions: inland freight, invoicing, packing, warranty services, and technical advice. Because there is only one sales channel in the home market involving similar functions for all sales, we preliminarily determine that there is one LOT in the home market.

In addition, YUSCO reported that it sold subject merchandise to customers in the United States through one channel of distribution and at one LOT. *See* YUSCO's October 21, 2003 Questionnaire Response at A–12. In this channel of distribution, YUSCO provided the following selling functions: arranging freight and delivery, invoicing, and packing. YUSCO did not incur any expenses in the United States for its U.S. sales. Because there is only one sales channel in the United States involving similar functions for all sales, we preliminarily determine that there is one LOT in the United States.

Based upon our analysis of the selling functions performed by YUSCO, we preliminarily determine that YUSCO sold foreign like product and subject merchandise at the same LOT. Despite the fact that YUSCO provided technical advice and warranty services in the home market, but not the U.S. market, these services were rarely provided in the home market and thus, there is no significant difference between the selling functions performed in the home and U.S. markets. Therefore, we preliminarily determine that a LOT adjustment is not warranted.

Chia Far

Chia Far reported in its responses that, during the POR, it sold subject merchandise in the home market directly to two types of customers, distributors and end users, through one channel of distribution. Chia Far provided the same selling functions for home market sales, such as providing technical advice, making freight and delivery arrangements, processing orders, providing after-sale warehousing, providing after-sale packing services, performing warranty services, and post-sale processing. *See* Chia Far's Section A Questionnaire Response (AQR) at Exhibit A–6 (October 1, 2003). Based on the similarity of the selling functions and the fact that one channel of distribution serviced the two types of customers, we determine that the respondent's home market sales constitute one LOT.

For the U.S. market, Chia Far reported that they made sales to unaffiliated distributors directly and through its U.S. affiliate, Lucky Medsup. Since the Department bases the LOT of CEP sales on the price in the United States after making CEP deductions under section 772(d) of the Act, we based the LOT of Chia Far's CEP sales on the price after deducting selling expenses.

Chia Far performed the same selling functions, such as arranging freight and delivery, providing after-sale packing services, processing orders, providing technical advice, and performing warranty services for all U.S. customers, including Lucky Medsup. *See* AQR at Exhibit A–6. Therefore, based on the similarity of selling functions to the same customer type, we preliminarily determine that Chia Far's U.S. sales constitute one LOT.

Because there is only one LOT in the home market, any difference in the NV and U.S. LOTs cannot be quantified. Therefore, a LOT adjustment is not possible.

Because a LOT adjustment is not possible, the Department examined whether to adjust NV pursuant to section 773(a)(7)(B) of the Act (the CEP offset provision). In order to determine whether NV is at a more advanced LOT than the CEP transactions, the Department compared home market selling activities with those for CEP transactions after deducting the expenses identified in section 772(d) of the Act. The expenses identified in section 772(d) of the Act are associated with selling activities occurring in the United States. After making these deductions, the Department determined that the differences between the home and U.S. market selling activities do not support a finding that Chia Far's sales in the home market were made at a more advanced LOT than the CEP sales. Specifically, Chia Far engaged in the following selling activities in both the home and U.S. markets: Providing technical advice, warranty services, freight and delivery arrangements, packing, and order processing. *See* AQR at Exhibit A–6 and A–7. In the U.S. market, Chia Far arranged international freight and delivery and marine insurance, a function it did not perform in the home market. Additionally, because of the additional activity required to ship subject merchandise to U.S. customers and to Lucky Medsup, Chia Far engaged in arranging freight and delivery of subject merchandise to the U.S. market at a greater level of intensity than it did in the home market. On the other hand, Chia Far engaged in post-sale processing and post-sale warehousing in the home market, but not the U.S. market. While Chia Far may have engaged in certain selling activities in the home market that it did not perform in the U.S. market, according to Chia Far the significance of these activities is minimal. Chia Far stated in its questionnaire response that it was not requesting a CEP offset. *See* AQR at A–12. Given the similarities in selling functions between the home and U.S. markets and the minimal difference in the level at which Chia Far performed certain selling functions unique to the home market, the Department preliminarily finds that there is not sufficient evidence on the record indicating that home market sales were made at a more advanced LOT than U.S. sales. Thus, the Department has not granted Chia Far a CEP offset.

Currency Conversion

Pursuant to section 773A(a) of the Act, we converted amounts expressed in foreign currencies into U.S. dollar amounts 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

As a result of this review, we preliminarily determine that the following weighted-average dumping margins exist for the period July 1, 2002 through June 30, 2003:

Manufacturer/exporter/reseller	Weighted-average margin (percentage)
Yieh United Steel Corporation (YUSCO)	0.00
Chia Far Industrial Factory Co., Ltd. (Chia Far)	1.03
Yieh Mau Corporation	21.10
Goang Jau Shing Enterprise Co., Ltd.	21.10

Manufacturer/exporter/reseller	Weighted-average margin (percentage)
PFP Taiwan Co., Ltd.	21.10
Yieh Loong Enterprise Company Ltd.	21.10
Tang Eng Iron Works Company, Ltd.	21.10
Yieh Trading Corporation	21.10
Chien Shing Stainless Steel Company Ltd.	21.10

Duty Assessments

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. According to 19 CFR 351.212(b)(1), where possible, the Department calculated an importer-specific assessment rate for merchandise subject to this review. Where the importer-specific assessment rate is above *de minimis,* we will instruct CBP to assess the importer-specific rate uniformly on the entered customs value of all entries of subject merchandise made by the importer during the POR. For the respondents receiving dumping margins based upon AFA, the Department will instruct CBP to liquidate entries according to the AFA *ad valorem* rate. For the respondents for whom the review was rescinded, the Department will instruct CBP to assess antidumping duties at the cash deposit rate in effect on the date of the entry. The Department will issue appropriate appraisement instructions directly to CBP within 15 days of publication of the final results of review.

Cash Deposit Rates

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for each of the reviewed companies will be the rate listed in the final results of this review (except if the rate for a particular company is *de minimis, i.e.,* less than 0.5 percent, no cash deposit will be required for that company); (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 review period; (3) if the exporter is not a firm covered in this review, a prior review, or the less than fair value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the subject merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 12.61 percent, the ''all others'' rate established in the LTFV investigation. *See Final Determination* 64 FR 30592. These required cash deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Public Comment

According to 19 CFR 351.224(b), the Department will disclose any calculations performed in connection with the preliminary results of review within 10 days of publicly announcing the preliminary results of review. Any interested party may request a hearing within 30 days of publication of this notice. *See* 19 CFR 351.310(c). If requested, a hearing will be held 44 days after the date of publication of this notice, or the first workday thereafter. Interested parties are invited to comment on the preliminary results. The Department will consider case briefs filed by interested parties within 30 days after the date of publication of this notice. Also, interested parties may file rebuttal briefs, limited to issues raised in case briefs. The Department will consider rebuttal briefs filed not later than five days after the time limit for filing case briefs. Parties who submit arguments are requested to submit with each argument (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities. Further, we request that parties submitting written comments provide the Department with a diskette containing the public version of those comments. Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, the Department will issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days of publication of the preliminary results. The assessment of antidumping duties on entries of merchandise covered by this review and future deposits of estimated duties shall be based on the final results of this review.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

Dated: July 30, 2004.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. 04–18153 Filed 8–6–04; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–357–813]

Notice of Extension of Time Limit for the Preliminary Results of Countervailing Duty Administrative Review: Honey From Argentina

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

SUMMARY: The Department of Commerce is extending the time limit for the preliminary results of the administrative review of the countervailing duty order on honey from Argentina until no later than December 13, 2004. The period of review (POR) is January 1, 2003, through December 31, 2003. This extension is made pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Act).

EFFECTIVE DATE: August 9, 2004.

FOR FURTHER INFORMATION CONTACT: Thomas Gilgunn or Addilyn Chams-Eddine, Office of AD/CVD Enforcement VII, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW.,