will disregard the margin and determine an appropriate margin. For example, in *Fresh Cut Flowers from Mexico* the Department disregarded the highest margin in that case as best information available (the predecessor to AFA) because the margin was based on another company's uncharacteristic business expense resulting in an unusually high margin.[18] The information used in calculating this margin was based on sales and production data submitted by Petitioner in the LTFV investigation, together with the most appropriate surrogate value information available to the Department chosen from submissions by the parties in the LTFV investigation.[19] Finally, there is no information on the record of this review that demonstrates that this rate is not appropriate for use as AFA. For all these reasons, we determine that this rate continues to have relevance with respect to Goodnite.

As the 234.51 percent AFA rate is both reliable and relevant, we determine that it has probative value and is corroborated to the extent practicable, in accordance with section 776(c) of the Act. Therefore, we have assigned this AFA rate to exports of the subject merchandise by Goodnite.

Preliminary Results of Review

The Department preliminarily determines that the following weighted-average dumping margin exists:

Manufacturer/exporter	Margin (percent)
Goodnite	234.51

Briefs and Public Hearing

Interested parties are invited to comment on the preliminary results and may submit case briefs and/or written comments within 30 days of the date of publication of this notice, pursuant to 19 CFR 351.309(c)(1)(ii). Rebuttal briefs, limited to issues raised in the case briefs, will be due five days later, pursuant to 19 CFR 351.309(d). Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument (1) A statement of the issue and (2) a brief summary of the argument. Parties are requested to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited, in accordance with 19 CFR 351.309(c)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, Room 1117, within 30 days of the date of publication of this notice. Requests should contain: (1) The party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs.

The Department intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. In accordance with 19 CFR 351.212(b)(1), we will calculate importer- (or customer-) specific assessment rates for the merchandise subject to this review. Where the respondent has reported reliable entered values, we will calculate importer- (or customer-) specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer). Where an importer- (or customer-) specific *ad valorem* rate is greater than *de minimis,* we will apply the assessment rate to the entered value of the importers'/customers' entries during the POR, pursuant to 19 CFR 351.212(b)(1).

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, no 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 recently completed 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 234.51 percent; (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; and (5) for Goodnite, any uncovered innerspring units of PRC origin, the cash deposit rate will be 234.51 percent. 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)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: November 30, 2011.

Paul Piquado,

Assistant Secretary for Import Administration.

[FR Doc. 2011–31309 Filed 12–5–11; 8:45 am]

BILLING CODE 3510–DS–P

[18] *See Fresh Cut Flowers from Mexico; Final Results of Antidumping Administrative Review,* 61 FR 6812, 6814 (February 22, 1996) (''*Fresh Cut Flowers from Mexico*'').

[19] *See Uncovered Innerspring Units from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value,* 73 FR 45729, 45735 (August 6, 2008), unchanged in *Innerspring Final Determination,* 73 FR at 79446.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–855]

Diamond Sawblades and Parts Thereof From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: The Department of Commerce (''Department'') is conducting an administrative review of the antidumping duty order on diamond sawblades and parts thereof (''diamond

sawblades'') from the Republic of Korea (''Korea''). The period of review is January 23, 2009, through October 31, 2010. This review covers imports of diamond sawblades from three manufacturers/exporters: Ehwa Diamond Industrial Co., Ltd. (''Ehwa''); Hyosung D&P Co., Ltd. (''Hyosung''); and Shinhan Diamond Industrial Co., Ltd. (''Shinhan''). The Department preliminarily finds that Shinhan and Ehwa made sales of the subject merchandise below normal value. For Hyosung, we have determined to apply adverse facts available as a result of its failure to provide the information necessary to determine an antidumping duty rate for the preliminary results and its failure to provide information within the deadlines established by the Department. Pursuant to an order issued by the U.S. Court of International Trade (''CIT'') on October 24, 2011, liquidation of the entries covered by this administrative review is enjoined. Interested parties are invited to comment on these preliminary results. The Department will issue the final results not later than 120 days from the date of publication of this notice.

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

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin or Austin Redington, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 482–6478 and (202) 482–1664, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 4, 2009, the Department published an antidumping duty order on diamond sawblades from Korea. *See Diamond Sawblades and Parts Thereof From the People's Republic of China and the Republic of Korea: Antidumping Duty Orders,* 74 FR 57145 (November 4, 2009) (''*Order*''). On November 1, 2010, the Department published a notice of opportunity to request an administrative review of the *Order. See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review,* 75 FR 67079 (November 1, 2010).

On November 30, 2010, the Diamond Sawblades Manufacturers' Coalition (''Petitioner'') requested that the Department conduct such a review for the following companies: Ehwa; Hyosung; Hyosung Diamond Industrial Co., Ltd.; SH Trading Inc.; Shinhan; and Western Diamond Tools Inc. Also on November 30, 2010, Husqvarna Construction Products North America (''HCPNA''), a U.S. producer of subject merchandise, requested an administrative review of Ehwa; Shinhan; and Hyosung Diamond Industrial Co., Ltd. On November 30, 2010, Ehwa; Shinhan; and SH Trading, Inc. submitted their own requests for an administrative review.

On December 28, 2010, in accordance with section 751(a) of the Tariff Act of 1930, as amended (''the Act''), we initiated an administrative review of all six requested companies. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part,* 75 FR 81565 (December 28, 2010).

On February 3, 2011, the Department noted that SH Trading, Inc. is the U.S. affiliate of Shinhan; Western Diamond Tools Inc. is the U.S. affiliate of Hyosung; and Hyosung officially changed its name from ''Hyosung Diamond Industrial Co., Ltd.'' to ''Hyosung D&P Co., Ltd.'' in December 2004. *See* Memorandum from Patricia Tran to the File, ''Re: 2009–2010 Diamond Sawblades and Parts Thereof from the Republic of Korea: Respondents to the First Administrative Review,'' dated February 3, 2011. *See also Notice of Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Negative Preliminary Critical Circumstances Determination: Diamond Sawblades and Parts Thereof from the Republic of Korea,* 70 FR 77135 (December 29, 2005). Therefore, we preliminarily determine that there are three companies for which an administrative review was requested: Shinhan, Hyosung, and Ehwa.

In the *Final LTFV Determination,* the Department stated that it would consider whether to revise the physical characteristics used to identify the subject merchandise for model matching purposes. *See Notice of Final Determination of Sales at Less Than Fair Value and Final Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the Republic of Korea,* 71 FR 29310 (May 22, 2006) *(''Final LTFV Determination''),* and accompanying Issues and Decision Memorandum (''Diamond Sawblades IDM'') at Comment 1. Accordingly, on February 16, 2011, the Department gave interested parties an opportunity to comment on this issue. *See* Letter from Yasmin Nair, Program Manager, Office 1 AD/CVD Operations, to All Interested Parties, dated February 16, 2011, which is on file in the Central Records Unit (''CRU'') in room 7046; *see also* the *Order.*

On February 23, 2011, the Department received comments filed on behalf of Shinhan and Ehwa. On February 24, the Department received comments filed on behalf of the Petitioner. On March 1, 2011, the Department received rebuttal comments from Shinhan, Ehwa, and Weihai Xiangguang Mechanical Industrial Co. Ltd. (''Weihai''), a Chinese producer affiliated with Ehwa.

On April 4, 2011, the Department adopted changes to certain model matching characteristics for these preliminary results, including physical form and total diamond weight of the subject merchandise. For a full discussion of these changes, *see* Memorandum to Susan Kuhbach, Office Director, from Christopher Siepmann, ''Re: Summary of Comments from Interested parties on Model Match Characteristics,'' dated April 4, 2011 (''Model Match Memo'').

On April 8, 2011, the Department issued antidumping duty questionnaires to Shinhan, Hyosung, and Ehwa. The Department received responses from all three companies in May and June 2011.

On April 18, 2011, Ehwa requested that it be excused from reporting certain information relating to U.S. sales of merchandise further manufactured in the United States by its affiliated U.S. customer, General Tool, Inc. (''General Tool''). Ehwa claimed that the value of the further processing that occurred in the United States substantially exceeded the value of the imported components. Petitioner submitted comments on Ehwa's request on April 22, 2011. The Department met with representatives of Ehwa on May 3, 2011, to discuss the request. On August 12, 2011, the Department agreed that Ehwa did not need to respond to section E of the Department's questionnaire, but directed Ehwa to report the quantity and value of these further manufactured sales. *See* Letter to J. David Park from Yasmin Nair, Program Manager, dated August 12, 2011.

On July 8, 2011, the Department published in the **Federal Register** an extension of the time limit for the completion of the preliminary results of this review until no later than November 30, 2011, as permitted by section 751(a)(3)(A) of the Act. *See Diamond Sawblades and Parts Thereof From the Republic of Korea: Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review,* 76 FR 40324 (July 8, 2011).

In July, August, September, and October 2011, the Department issued supplemental questionnaires all three companies. The Department received responses to these supplemental

questionnaires from Ehwa and Shinhan in September and October 2011. Hyosung did not respond to any of the Department's supplemental questionnaires.

Scope of the Review

The products covered by the order are all finished circular sawblades, whether slotted or not, with a working part that is comprised of a diamond segment or segments, and parts thereof, regardless of specification or size, except as specifically excluded below. Within the scope of the order are semifinished diamond sawblades, including diamond sawblade cores and diamond sawblade segments. Diamond sawblade cores are circular steel plates, whether or not attached to non-steel plates, with slots. Diamond sawblade cores are manufactured principally, but not exclusively, from alloy steel. A diamond sawblade segment consists of a mixture of diamonds (whether natural or synthetic, and regardless of the quantity of diamonds) and metal powders (including, but not limited to, iron, cobalt, nickel, tungsten carbide) that are formed together into a solid shape (from generally, but not limited to, a heating and pressing process).

Sawblades with diamonds directly attached to the core with a resin or electroplated bond, which thereby do not contain a diamond segment, are not included within the scope of this order. Diamond sawblades and/or sawblade cores with a thickness of less than 0.025 inches, or with a thickness greater than 1.1 inches, are excluded from the scope of these orders. Circular steel plates that have a cutting edge of non-diamond material, such as external teeth that protrude from the outer diameter of the plate, whether or not finished, are excluded from the scope of this order. Diamond sawblade cores with a Rockwell C hardness of less than 25 are excluded from the scope of this order. Diamond sawblades and/or diamond segment(s) with diamonds that predominantly have a mesh size number greater than 240 (such as 250 or 260) are excluded from the scope of this order.

Merchandise subject to these orders is typically imported under heading 8202.39.00.00 of the Harmonized Tariff Schedule of the United States (''HTSUS''). When packaged together as a set for retail sale with an item that is separately classified under headings 8202 to 8205 of the HTSUS, diamond sawblades or parts thereof may be imported under heading 8206.00.00.00 of the HTSUS. On October 11, 2011, the Department added HTSUS 6804.21.00.00 to the scope description pursuant to a request by CBP.

The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this order is dispositive.

Period of Review

The period of review (''POR'') is January 23, 2009, through October 31, 2010.

Use of Facts Otherwise Available and Adverse Inferences

Sections 776(a)(1) and (2) of the Act provide that the Department shall apply ''facts otherwise available'' if, *inter alia,* necessary information is not on the record or an interested party or any other person: (A) Withholds information that has been requested; (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding; or (D) provides information that cannot be verified as provided by section 782(d) of the Act.

We have determined that the use of facts otherwise available is appropriate for the preliminary results with respect to Hyosung because, as noted above, Hyosung failed to respond to the Department's supplemental questionnaires. Specifically, the Department issued Hyosung a section D supplemental in August 2011 and a section A supplemental in September 2011. Although Hyosung requested, and the Department granted, an extension of time to respond to the section D supplemental questionnaire, Hyosung ultimately did not respond. Hyosung did not request an extension of time to respond to the section A supplemental questionnaire, nor did it submit a response. By doing so, Hyosung did not provide the information necessary to determine an antidumping duty rate for the preliminary results and failed to provide information within the deadlines established by the Department. Therefore, in light of Hyosung's continued failure to provide requested information necessary to calculate accurate dumping margins in this case, we determine, in accordance with section 776(a) of the Act, that the use of facts otherwise available with an adverse inference is appropriate for these preliminary results.

Adverse Facts Available

Section 776(b) of the Act further provides that the Department may use an adverse inference in applying facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. By electing not to respond to the Department's supplemental questionnaires, Hyosung has not cooperated to the best of its ability in this review. Therefore, we determine that an adverse inference is warranted, pursuant to section 776(b) of the Act.

In deciding which facts to use as adverse facts available (''AFA''), section 776(b) of the Act and 19 CFR 351.308(c)(1) authorize the Department to rely on information derived from: (1) The petition; (2) a final determination in the investigation; (3) any previous review or determination; or (4) any other information placed on the record. The Department's practice when selecting an adverse rate from among the possible sources of information is to ensure that the rate is sufficiently adverse ''as to effectuate the statutory purposes of the adverse facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner.'' *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors From Taiwan,* 63 FR 8909, 8932 (February 23, 1998). The Department's practice also ensures ''that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.'' *See* Statement of Administrative Action (''SAA'') accompanying the Uruguay Round Agreements Act, H.R. Rep. No. 103–316, Vol. I, at 870 (1994), reprinted at 1994 U.S.C.C.A.N 4040, 4199.

We are preliminarily assigning Hyosung an AFA rate of 121.19 percent. This rate was selected from Shinhan's transaction specific margins during the POR. *See,* Memorandum from Austin Redington, International Trade Compliance Analyst through Yasmin Nair, Program Manager to Susan H. Kuhbach, Senior Office Director, ''Adverse Facts Available Rate for Hyosung D&P Co., Ltd.,'' dated November 30, 2011. Application of this rate is consistent with the purpose of AFA, *i.e.,* to induce respondents to provide the Department with complete and accurate information in a timely manner as explained above. No corroboration of this rate is necessary because we are relying on information obtained in the course of this review, rather than secondary information. *See,* 19 CFR 351.308(c) and (d) and section 776(c) of the Act; *See also Multilayered Wood Flooring From the People's Republic of China: Final Determination of Sales at Less Than Fair Value,* 76 FR 64318, 64322 (October 18, 2011).

Fair Value Comparisons

To determine whether Ehwa's and Shinhan's (collectively, ''the respondents'') sales of diamond sawblades to the United States were made at less than normal value (''NV''), the Department compared constructed export price (''CEP'') to NV, as described in the ''Constructed Export Price'' and ''Normal Value'' sections of this notice below.

Pursuant to section 777A(d)(2) of the Act, we compared the CEPs of individual U.S. transactions to the weighted-average NV of the foreign-like product, where there were sales made in the ordinary course of trade, as discussed in the ''Cost of Production Analysis'' section, below.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced and sold by the respondents in the home market (''HM'') during the POR that fit the description in the ''Scope of Review'' section of this notice to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales made in the HM, where appropriate. We have relied upon fourteen criteria to match U.S. sales of subject merchandise to comparison-market sales of the foreign like product. These criteria, in order of importance are: (1) Physical form; (2) diameter; (3) type of attachment; (4) cutting edge; (5) diamond mesh size; (6) total diamond weight; (7) diamond grade; (8) segment height; (9) segment thickness; (10) segment length; (11) number of segments; (12) core metal; (13) core type; and (14) core thickness.

As detailed in the Model Match Memo, we limited matches on the basis of physical form (*i.e.,* U.S. sales of finished sawblades can only match to home market sales of finished sawblades; U.S. sales of segments can only match to home market sales of segments; and U.S. sales of cores can only match to home markets sales of cores). Where there were no sales of identical merchandise in the HM made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade, while still controlling for physical form (*e.g.,* we allowed matching of a U.S. sale to HM sales if physical form was identical, but the home market sale was within a window period that precedes the U.S. sale by three months or is subsequent to the U.S. sale by two months). Where there were no sales of identical or similar merchandise made in the ordinary course of trade, we made product comparisons using constructed value (''CV'').

Date of Sale

Section 351.401(i) of the Department's regulations states that the Department normally will use the date of invoice, as recorded in the producer's or exporter's records kept in the ordinary course of business, as the date of sale. The regulation provides further that the Department may use a date other than the date of the invoice if the Secretary is satisfied that a different date better reflects the date on which the material terms of sale are established. The Department has a long-standing practice of finding that, where shipment date precedes invoice date, shipment date better reflects the date on which the material terms of sale are established. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp From Thailand,* 69 FR 76918 (December 23, 2004), and accompanying Issues and Decision Memorandum at Comment 10; *see also Notice of Final Determination of Sales at Less Than Fair Value: Structural Steel Beams From Germany,* 67 FR 35497 (May 20, 2002), and accompanying Issues and Decision Memorandum at Comment 2.

For U.S. sales, each respondent reported the earlier of the date of invoice or the date of shipment.[1] Therefore, for each respondent's U.S. sales, the Department determines that it is appropriate to use the earlier of the date of invoice or the date of shipment as date of sale. This determination is consistent with the *Final LTFV Determination.*

For home market sales, both respondents reported invoice date as date of sale because both permit home market customers to make order changes up to that time.[2] Both Ehwa and Shinhan reported that the invoice establishes the material terms of sale. Therefore, for home market sales, the Department determines that it is appropriate to use invoice date as date of sale for both companies. This determination is consistent with the *Final LTFV Determination.*

Constructed Export Price

For the price to the United States, each respondent reported making only CEP sales. Section 772(b) of the Act defines CEP as the price at which the subject merchandise is first sold in the United States before or after the date of importation, by, or for the account of the producer or exporter of the merchandise, or by a seller affiliated with the producer or exporter, to an unaffiliated purchaser, as adjusted under sections 772(c) and (d) of the Act.

Ehwa

We calculated a CEP for all of Ehwa's U.S. sales because the subject merchandise was sold directly to General Tool, Ehwa's U.S. affiliate, prior to being sold to the first unaffiliated purchaser in the United States.[3] Ehwa reported that, while all CEP sales were made to General Tool, from the beginning of the POR through October 21, 2009, Ehwa had three additional U.S. affiliated resellers, Dia-Technolog, Inc., Diamond Vantage, Inc., and New England Diamond, Inc, which merged with General Tool after October 21, 2009.[4] We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These include expenses incurred for inland freight, domestic brokerage and handling, and U.S. brokerage and handling. In addition, we made deductions from the U.S. starting price for discounts, rebates, and billing adjustments. Pursuant to section 772(d)(3) of the Act, we further reduced the starting price by an amount for profit to arrive at CEP. In accordance with section 772(f) of the Act, we calculated the CEP profit rate using the expenses incurred by Ehwa and its U.S. affiliates on their sales of the subject merchandise in the United States and the profit associated with those sales.

The Department interprets section 772(c)(1)(B) of the Act as requiring that any duty drawback be added to CEP if two criteria are met: (1) Import duties and rebates are directly linked to, and dependent upon, one another, and; (2) raw materials were imported in sufficient quantities to account for the duty drawback received on exports of the manufactured product. The first prong of the test requires the Department ''to analyze whether the foreign country in question makes entitlement to duty drawback dependent upon the payment of import duties.'' *See Far East Machinery* v. *United States,* 699 F. Supp. 309, 311 (CIT 1988). This ensures that a duty

[1] *See* Ehwa's (date) Questionnaire Response (''Ehwa QR'') at C–14 and Ehwa's (date) Supplemental QR (''Ehwa SQR'') at S–10. *See also* Shinhan's (date) Questionnaire Response (''Shinhan QR'') at C–13, 14.

[2] *See* Ehwa QR at B–13, 14. *See also* Shinhan QR at B–12, 13.

[3] *See* Ehwa QR at A–16 and Section C, generally.

[4] *See* Ehwa QR at A–1.

drawback adjustment will be made only where the drawback received by the manufacturer is contingent on import duties paid or accrued. The second prong requires the foreign producer to show that it imported a sufficient amount of raw material (upon which it paid import duties) to account for the exports upon which it claimed its rebates. *Id.*

Ehwa reported that it received certain ''drawback'' amounts associated with duties paid on imported inputs pursuant to the Korean Government's individual application system, where the duty is rebated based upon each applicant's use of the imported input.[5] As the applicable criteria have been met in the case of Ehwa, we made additions to the starting price for duty drawback in accordance with section 772(c)(1)(B) of the Act.

Shinhan

We calculated a CEP for Shinhan's U.S. sales because the subject merchandise was sold directly to SH Trading, Inc., Shinhan's U.S. affiliate, prior to being sold to the first unaffiliated purchaser in the United States. We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These include expenses incurred for inland freight, domestic brokerage and handling, and U.S. brokerage and handling. In addition, we made deductions from the U.S. starting price for discounts, rebates, and for billing adjustments. In accordance with section 772(f) of the Act, we calculated the CEP profit rate using the expenses incurred by Shinhan and its U.S. affiliate on their sales of the subject merchandise in the United States and the profit associated with those sales.

As discussed above, the Department will add duty drawback to U.S. price only if the respondent demonstrates that it has satisfied the Department's two-prong test. Shinhan reported that it received certain ''drawback'' amounts associated with duties paid on imported inputs pursuant to the Korean Government's individual application system, where the duty is rebated based upon each applicant's use of the imported input. As the applicable criteria have been met, we made additions to Shinhan's starting price for duty drawback in accordance with section 772(c)(1)(B) of the Act.

[5] *See* Ehwa QR at C–29 and Ehwa SQR at S–20 and exhibits 26–32.

Normal Value

A. Selection of Comparison Market

To determine whether there was a sufficient volume of sales of diamond sawblades in the home market to serve as a viable basis for calculating NV, the Department compared the respondents' home market sales of the foreign-like product to their volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1) of the Act. Pursuant to section 773(a)(1)(B) of the Act, because each respondent's reported aggregate volume of home market sales of the foreign-like product was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, the Department determined that the home market was viable for comparison purposes.

B. Level of Trade

Section 773(a)(1)(B) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade (''LOT'') as the CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). *See* 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *Id. See also Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa,* 62 FR 61731, 61732 (November 19, 1997) (''*CTL Plate''*). To determine whether NV sales are at a different LOT than U.S. sales, we examine stages in the marketing process and selling functions along the chain of distribution. *See* 19 CFR 351.412(c)(2). If the comparison-market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. 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 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 CTL Plate, 62 FR at 61732 and Final Determination of Sales at Less Than Fair Value: Greenhouse Tomatoes From Canada,* 67 FR 8781 (February 26, 2002).

In this review, we obtained information from each respondent regarding the marketing stages involved in making the reported HM and U.S. sales, including a description of the selling activities performed by each respondent for each channel of distribution. Company-specific LOT findings are summarized below.

Ehwa

As stated, Ehwa made its U.S. sales through four U.S. affiliates which merged into General Tool. However, all of Ehwa's sales were to General Tool.[6] That is, all of the subject merchandise sold in the United States was purchased and imported by General Tool. The Department bases its CEP LOT analysis on the sale to the producer/exporter's U.S. affiliate and, thus, looked only to Ehwa's ''General Tool'' LOT, rather than the four distinct LOTs identified by Ehwa. *See Micron Tech. Inc.* v. *United States, 243 F. 3d 1301, 1313 (Fed. Cir. 1997) and Torrington Co.* v. *United States,* 146 F. Supp.2d 845, 875 (CIT 2001).

For its HM sales, Ehwa reported two LOTs based on customer types, distributors and end-users. Our analysis, however, revealed that there were no significant differences in the selling activities between the two reported HM LOTs. For a detailed analysis of the Department's Ehwa LOT analysis, *see* Memorandum from Sergio Balbontin, International Trade Analyst, to Yasmin Nair, Program Manager, ''Level of Trade Analysis,'' dated November 30, 2011. We, thus, compared one U.S. LOT to one HM LOT.

Based upon: (1) The quantity of selling activities undertaken in the HM LOT but not in the U.S. LOT; and (2) the difference in level of intensity of the selling activities performed in both the markets, we preliminarily determine that the HM is at a more advanced LOT than the U.S. market LOT. Therefore, we are granting Ehwa a CEP offset to NV. *See* sections 773(7)(B) and 772(d)(1)(D) of the Act.

Shinhan

Shinhan's reported LOT information, which is designated business proprietary, does not support a LOT adjustment. However, we have granted Shinhan a CEP-offset. For further discussion of Shinhan's LOT information and our analysis, *see* Memorandum from Scott Holland, International Trade Analyst, to Yasmin Nair, Program Manager, ''Level of Trade Analysis,'' dated November 30, 2011, a public version of which is on file in Department's CRU.

[6] *See* Ehwa QR at A–16, 17.

C. Sales to Affiliated Customers

Shinhan made sales in the home market to affiliated customers. The Department may calculate NV based on a sale to an affiliated party only if it is satisfied that the price to the affiliated party is comparable to the price at which sales are made to parties not affiliated with the exporter or producer, *i.e.,* sales were made at arm's length prices. *See* 19 CFR 351.403(c). To test whether these sales were made at arm's length, the Department compared the starting prices of sales to affiliated customers to those of sales to unaffiliated customers, net of all movement charges, direct and indirect selling expenses, discounts, and packing. Where the price to affiliated parties was, on average, within a range of 98 to 102 percent of the price of the same or comparable merchandise to the unaffiliated parties, the Department determined that the sales made to affiliated parties were at arm's length. *See Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade,* 67 FR 69186 (November 15, 2002). In accordance with this practice, only Shinhan's sales to affiliated parties made at arm's length were included in the Department's margin analysis. *See* Memorandum from Scott Holland, International Trade Analyst, to Yasmin Nair, Program Manager, ''Preliminary Results Calculation for Shinhan Diamond Industrial Co., Ltd.,'' dated November 30, 2011 (''Shinhan Prelim Calc Memo'').

D. Cost of Production Analysis

In the final determination of the investigation, the Department disregarded some sales by Ehwa and Shinhan because they were made at prices below the cost of production (''COP''). *See Final LTFV Determination.* Under section 773(b)(2)(A)(ii) of the Act, previously disregarded below-cost sales provide reasonable grounds for the Department to believe or suspect that both respondents made sales of the subject merchandise in the home market at prices below the COP in this review. Whenever the Department has reason to believe or suspect that sales were made below the COP, we are directed by section 773(b) of the Act to determine whether, in fact, there were below-cost sales.

Pursuant to section 773(b)(1) of the Act, the Department may disregard sales that were made at less than the COP in its calculation of NV, if such sales were made in substantial quantities over an extended period of time at prices that would not permit recovery of costs within a reasonable period. The Department will find that a respondent's below-cost sales represent ''substantial quantities'' when 20 percent or more of the volume of its sales of a foreign-like product are at prices less than the COP; however, where less than 20 percent of the volume of a respondent's sales of a foreign-like product are at prices less than the COP, the Department will not disregard such sales because they are not made in substantial quantities. *See* section 773(b)(2)(C) of the Act. Further, in accordance with section 773(b)(2)(B) of the Act, the Department normally considers sales to have been made within an extended period of time when the sales are made during a period of one year. Finally, if prices which are below the per-unit COP at the time of sale are not above the weighted-average per-unit COP for the POR, the Department will not consider such prices to provide for the recovery of costs within a reasonable period of time. *See* section 773(b)(2)(D) of the Act.

1. Test of Home Market Prices

On a product-specific basis, the Department compared the respondents' adjusted weighted-average COP figures for the POR to their home market sales of the foreign-like product, as required under section 773(b) of the Act, to determine whether these sales were made at prices below the COP. Home market prices were exclusive of any applicable movement charges and indirect selling expenses.

The Department found that, for certain sales of Ehwa's and Shinhan's foreign-like product, more than 20 percent of their sales were at prices below the COP and, thus, the below-cost sales were made within an extended period of time in substantial quantities. *See* Memorandum from Sergio Balbontin, International Trade Analyst, to Yasmin Nair, Program Manager, ''Preliminary Results Calculation for Ehwa Diamond Industrial Co., Ltd.,'' dated November 30, 2011 (''Ehwa Prelim Calc Memo''); *see also* Shinhan Prelim Calc Memo. In addition, these sales were made at prices that did not permit the recovery of costs within a reasonable period of time. Therefore, the Department excluded these below-cost sales and used both respondents' remaining above-cost sales of foreign-like product, made in the ordinary course of trade, as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

2. Calculation of COP

The Department calculated Ehwa's and Shinhan's COP on a product-specific basis, based on the sum of their costs of materials and fabrication for the merchandise under review, plus amounts for SG&A expenses, financial expenses, and the costs of all expenses incidental to placing the foreign-like product packed and in a condition ready for shipment, in accordance with section 773(b)(3) of the Act.

The Department relied on the COP information submitted in the responses to our cost questionnaires with the following adjustments for each company:

Ehwa

We relied on the COP data submitted by Ehwa in its October 27, 2011, section D supplemental response. Based on our review of record evidence, Ehwa did not experience significant changes in the cost of manufacturing during the POR. Therefore, we followed our normal methodology of calculating an annual weighted-average cost.

In accordance with the transactions disregarded rule of section 773(f)(2) of the Act, we adjusted Ehwa's cost of manufacturing (''COM'') to reflect the market value of inputs purchased from an affiliate. In addition, we adjusted Ehwa's COM and general and administrative expenses to include the full amount of bonus expenses. For additional details on these adjustments, *see* memorandum from Ernest Z. Gziryan, Senior Accountant, to Neal M. Halper, Director, Office of Accounting, entitled ''Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results—Ehwa Diamond Industrial Co., Ltd.,'' dated November 30, 2011.

Shinhan

We relied on the COP data submitted by Shinhan in its October 19, 2011, section D supplemental response. Based on our review of record evidence, Shinhan did not experience significant changes in the cost of manufacturing during the POR. Therefore, we followed our normal methodology of calculating an annual weighted-average cost.

E. Constructed Value

In accordance with section 773(e) of the Act, we calculated CV for Ehwa and Shinhan based on the sum of material and fabrication costs, selling, general and administrative (''SG&A'') expenses, profit, and U.S. packing costs. We calculated the COP component of CV as described in the ''Cost of Production Analysis'' section of this notice, above. 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 Ehwa and Shinhan in connection with the production and sale

of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

F. Calculation of Normal Value

The Department calculated NV based on the prices Ehwa and Shinhan reported for their respective home market sales to unaffiliated customers which were made in the ordinary course of business. The Department added U.S. packing costs and deducted home market packing costs in accordance with sections 773(a)(6)(A) and (B) of the Act, respectively. The Department also made adjustments to NV, consistent with section 773(a)(6)(B)(ii) of the Act, to account for loading fees and for inland freight from the plant to the customer, where appropriate. In addition, the Department made adjustments to NV to account for differences in circumstances of sale, in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410, by deducting direct selling expenses incurred by Ehwa and Shinhan on their home market sales (*i.e.,* credit expenses and bank charges) and adding U.S. direct selling expenses (*i.e.,* credit expenses and bank charges), as appropriate. *See* 19 CFR 351.410(c) *see also* Shinhan Prelim Calc Memo and Ehwa Prelim Calc Memo.

Preliminary Results of the Review

We preliminarily determine that the following weighted-average dumping margins exist for the period January 23, 2009, through October 31, 2010:

Exporter/manufacturer	Margin (percent)
Ehwa Diamond Industrial Co., Ltd	12.21
Hyosung Diamond Industrial Co., Ltd, Western Diamond Tools Inc., and Hyosung D&P Co., Ltd	121.19
Shinhan Diamond Industrial Co., Ltd. and SH Trading, Inc	3.50

Public Comment

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

Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs, should be filed not later than 5 days after the time limit for filing case briefs. *See* 19 CFR 351.309(d). Parties submitting arguments in this proceeding 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, in accordance with 19 CFR 351.309(d)(2). Further, parties submitting case and/or rebuttal briefs are requested to provide the Department with an additional electronic copy of the public version of any such comments on a computer diskette. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 30 days of publication of this notice in the **Federal Register**. If a hearing is requested, the Department will notify interested parties of the hearing schedule. Issues raised in the hearing will be limited to those raised in the case briefs.

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, unless extended. *See* section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Assessment Rates

The Department shall determine, and CBP will assess, antidumping duties on all appropriate entries in accordance with 19 CFR 351.212(b)(1). As mentioned above, on October 24, 2011, the U.S. Court of International Trade (''CIT'') preliminarily enjoined liquidation of entries which are subject to the *Final LTFV Determination.* Accordingly, the Department will not instruct CBP to assess antidumping duties pending resolution of the associated litigation.

Pursuant to 19 CFR 351.212(b)(1), for all sales made by the respondents for which they have reported the importer of record and the entered value of the U.S. sales, we have calculated importer-specific assessment rates based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those sales. Where the respondent did not report the entered value for U.S. sales to an importer, we have calculated importer-specific assessment rates for the merchandise in question by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total quantity of those sales.

To determine whether the duty assessment rates were *de minimis,* in accordance with the requirement set forth in 19 CFR 351.106(c)(2), the Department calculated importer-specific *ad valorem* ratios based on the entered value or the estimated entered value, when entered value was not reported.

Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (*i.e.,* less than 0.50 percent).

The Department clarified its ''automatic assessment'' regulation on May 6, 2003. *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003) (''*Assessment Policy Notice*''). This clarification will apply to entries of subject merchandise during the POR produced by Ehwa and Shinhan for which these companies did not know that their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate involved in the transaction. For a full discussion of this clarification, *see Assessment Policy Notice.*

Cash Deposit Requirements

Effective October 24, 2011, the Department revoked the antidumping duty order on diamond sawblades from Korea, pursuant to a proceeding under section 129 of the Uruguay Round Agreements Act to implement the findings of the WorId Trade Organization dispute settlement panel in United States—*Use of Zeroing in Anti-Dumping Measures Involving Products from Korea* (WTIDS402/R) (January 18, 2011). *See Notice of Implementation of Determination Under Section 129 of the Uruguay Round Agreements Act and Revocation of the Antidumping Duty Order on Diamond Sawblades and Parts Thereof From the Republic of Korea,* 76 FR 66892 (October 28, 2011), and accompanying Issues and Decision Memorandum. Consequently, no cash deposits are required on imports of subject merchandise.

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.

The Department is issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: November 30, 2011.

Paul Piquado,

Assistant Secretary for Import Administration.

[FR Doc. 2011–31285 Filed 12–5–11; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–900]

Diamond Sawblades and Parts Thereof From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Intent To Rescind Review in Part

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

SUMMARY: In response to timely requests, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on diamond sawblades and parts thereof (diamond sawblades) from the People's Republic of China (PRC). The period of review (POR) is January 23, 2009, through October 31, 2010. We have preliminarily determined that sales have been made below normal value by the companies subject to individual examination in this review.

We invite interested parties to comment on these preliminary results. Parties who submit comments in this review are requested to submit with each argument (1) A statement of the issue and (2) a brief summary of the argument.

DATES: Effective Date: December 6, 2011.

FOR FURTHER INFORMATION CONTACT: Jerrold Freeman or Yang Jin Chun, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; *telephone:* (202) 482–0180 and (202) 482–5760, respectively.

Background

On November 4, 2009, the Department published in the **Federal Register** an antidumping duty order on diamond sawblades from the PRC. *See Diamond Sawblades and Parts Thereof From the People's Republic of China and the Republic of Korea: Antidumping Duty Orders,* 74 FR 57145 (November 4, 2009). On November 1, 2010, the Department published in the **Federal Register** a notice of opportunity to request an administrative review of the order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review,* 75 FR 67079 (November 1, 2010).

On December 28, 2010, based on timely requests for an administrative review, the Department published in the **Federal Register** a notice of initiation of an administrative review of the antidumping duty order on diamond sawblades from the PRC. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part,* 75 FR 81565 (December 28, 2010) (*Initiation Notice*).

Consistent with our determination in *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China,* 71 FR 29303 (May 22, 2006), and the accompanying Issues and Decision Memorandum (I&D Memo) (*LTFV Final*) at Comment 5, we solicited comments from interested parties concerning whether to change in this review the physical characteristics we use to identify the various products covered by this order. *See* the letter to all interested parties dated February 17, 2011. After reviewing the parties' comments, we decided to continue relying on the physical characteristics used in the investigation. *See* the memorandum entitled ''Diamond Sawblades and Parts Thereof from the People's Republic of China: Physical Characteristics'' dated April 8, 2011.

On February 18, 2011, we selected Advanced Technology & Materials Co., Ltd. (ATM), Beijing Gang Yan Diamond Products Co. (BGY), and Cliff International Ltd. (Cliff) (treated as a single entity in the investigation) and Weihai Xiangguang Mechanical Industrial Co., Ltd. (Weihai), for individual examination in this review. *See* the memorandum entitled ''Diamond Sawblades and Parts Thereof from the People's Republic of China: Selection of Respondents for Individual Examination'' dated February 18, 2011 (Respondent Selection Memo).

We extended the due date for the preliminary results of review by 120 days to November 30, 2011. *See Diamond Sawblades and Parts Thereof From the People's Republic of China: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,* 76 FR 41759 (July 15, 2011), and *Diamond Sawblades and Parts Thereof From the People's Republic of China: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,* 76 FR 64896 (October 19, 2011).

We are conducting this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of the Order

The products covered by the order are all finished circular sawblades, whether slotted or not, with a working part that is comprised of a diamond segment or segments, and parts thereof, regardless of specification or size, except as specifically excluded below. Within the scope of the order are semifinished diamond sawblades, including diamond sawblade cores and diamond sawblade segments. Diamond sawblade cores are circular steel plates, whether or not attached to non-steel plates, with slots. Diamond sawblade cores are manufactured principally, but not exclusively, from alloy steel. A diamond sawblade segment consists of a mixture of diamonds (whether natural or synthetic, and regardless of the quantity of diamonds) and metal powders (including, but not limited to, iron, cobalt, nickel, tungsten carbide) that are formed together into a solid shape (from generally, but not limited to, a heating and pressing process).

Sawblades with diamonds directly attached to the core with a resin or electroplated bond, which thereby do not contain a diamond segment, are not included within the scope of the order. Diamond sawblades and/or sawblade cores with a thickness of less than 0.025 inches, or with a thickness greater than 1.1 inches, are excluded from the scope of the order. Circular steel plates that have a cutting edge of non-diamond material, such as external teeth that protrude from the outer diameter of the plate, whether or not finished, are excluded from the scope of the order. Diamond sawblade cores with a Rockwell C hardness of less than 25 are excluded from the scope of the order. Diamond sawblades and/or diamond segment(s) with diamonds that predominantly have a mesh size number greater than 240 (such as 250 or 260) are excluded from the scope of the order. Merchandise subject to the order is typically imported under heading 8202.39.00.00 of the Harmonized Tariff Schedule of the United States (HTSUS). When packaged together as a set for retail sale with an item that is separately classified under headings 8202 to 8205 of the HTSUS, diamond sawblades or parts thereof may be imported under heading 8206.00.00.00 or 6804.21.00 of the HTSUS. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of the order is dispositive.