exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Verification

As provided in section 782(i) of the Act, we will verify the information relied upon in making our final determination.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which NV exceeds EP or CEP, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin (percentage)
Hyundai HYSCO	6.49
SeAH Steel Corporation Ltd.	[1]1.19
All Others	6.49

[1] *De minimis.*

The All Others rate is derived exclusive of all zero and de minimis margins and margins based entirely on adverse facts available.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination of sales at LTFV. Section 735(b)(2) requires that the ITC make a final determination before the later of 120 days after the date of the Department's preliminary determination or 45 days after the Department's final determination whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation, of the subject merchandise. Because we have postponed the deadline for our final determination to 135 days from the date of the publication of this preliminary determination, the ITC will make its final determination within 45 days of our final determination.

Disclosure

We will disclose the calculations used in our analysis, within five days of publication of this notice, to parties in this proceeding in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs for this investigation must be submitted to the Department no later than seven days after the date of the final verification report issued in this proceeding. Rebuttal briefs must be filed five days from the deadline date for case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Section 774 of the Act provides that the Department will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held two days after the rebuttal brief deadline date at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

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, U.S. Department of Commerce, Room 1870, within 30 days of the 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 the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

We will make our final determination no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to sections 733(f) and 777(i) of the Act.

Dated: September 29, 2004.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. E4–2522 Filed 10–5–04; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–833]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Circular Welded Carbon-Quality Line Pipe From Mexico

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

EFFECTIVE DATE: October 6, 2004.

FOR FURTHER INFORMATION CONTACT: Shireen Pasha or John Drury, at (202) 482–0193 or (202) 482–0195, respectively, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Preliminary Determination

We preliminarily determine that certain circular welded carbon quality line pipe (''LP'') from Mexico is being sold, or is likely to be sold, in the United States at less than fair value (''LTFV''), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the ''Suspension of Liquidation'' section of this notice.

Case History

On March 24, 2004, the Department of Commerce (''the Department'') initiated antidumping investigations of LP from Mexico, The Republic of Korea, and the People's Republic of China. *See Certain Circular Welded Carbon Quality Line Pipe From Mexico, The Republic of Korea, and the People's Republic of China; Initiation of Antidumping Duty Investigations, 69 FR 165211* (March 30, 2004) (''Initiation Notice''). The petitioners in this investigation are American Steel Pipe Division of American Cast Iron Pipe Company, IPSCO Tubulars Inc., Lone Star Steel Company, Maverick Tube Corporation, Northwest Pipe Company, and Stupp Corporation. Since the initiation of this investigation the following events have occurred.

In accordance with the preamble to our regulations, the Department set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of publication of the *Initiation Notice.* (*See Antidumping Duties; Countervailing Duties; Final Rule, 62 FR 27296, 27323* (May 19, 1997) and *Initiation Notice* at 69 FR 16521.)

On April 19, 2004, Central Plastics Company (''CPC''), an interested party,

submitted comments on the scope of this and the concurrent investigations of LP from South Korea and the People's Republic of China. Specifically, CPC requested an exclusion for line pipe having a nominal diameter of less than or equal to 1¼ inches (1.660 inch actual outside diameter), regardless of grade, from this investigation for various reasons. On April 21, 2004, petitioners submitted comments on the scope of this investigation in response to CPC's comments. Petitioners concurred with CPC, that line pipe of a nominal diameter of 1¼ inch and smaller be excluded from the scope of this investigation, and that the scope be amended to state ''excluded from the scope of the investigation are line pipe in nominal size with outer diameters of 1¼ inch or less.'' No other party submitted further comments on this request and no other party submitted scope comments. On May 4, 2004, the Department amended the scope of the investigation to include line pipe having an outside diameter greater than 32 mm (1¼ inches) in nominal diameter (1.660 inch actual outside diameter) and not more than 406.4 mm (16 inches) in outside diameter. *See* Memorandum to Joseph A. Spetrini, Deputy Assistant Secretary, Group III, from Richard O. Weible, Office Director, Office 8, regarding Antidumping Duty Investigations on Certain Circular Welded Carbon Quality Line Pipe from China, Korea and Mexico; Scope Issues, dated May 4, 2004.

On April 19, 2004, the United States International Trade Commission (''ITC'') preliminarily determined that there is reasonable indication that imports of LP from Mexico, South Korea, and the People's Republic of China are materially injuring the United States industry. *See* ITC Investigation Nos. 731–TA–1073–1075 (Publication No. 3687).

On May 3, 2004, the Department selected the producers accounting for the largest volume of the exports of subject merchandise from Mexico during the period of investigation (''POI'') as the mandatory respondents in this proceeding. *See* Memorandum to Joseph A. Spetrini, Deputy Assistant Secretary, Group III, from Richard O. Weible, Office Director, Office 8, regarding Selection of Respondents for the Antidumping Investigation of Certain Circular Welded Carbon Quality Line Pipe from Mexico, dated May 3, 2004. The Department subsequently issued antidumping questionnaires to Hylsa S.A. de C.V. (''Hylsa'') and Tuberia Nacional, S.A. de C.V. (''TUNA'') on May 4, 2004.

On June 2, 2004, we received section A questionnaire responses from Hylsa and TUNA. On June 15, 2004, petitioners filed comments on Hylsa's and TUNA's section A responses.

On June 22, 2004, the Department issued a supplemental questionnaire for deficiencies in Hylsa's and TUNA's section A responses.

On June 23, 2004, TUNA submitted a letter stating that it would not respond to the remainder of the Department's questionnaires due to problems with its computer and accounting systems. Specifically, TUNA stated it was unable to provide the information requested in the sections B and C questionnaires, and that it would not respond to section D of the questionnaire. As a result, the Department is resorting to the use of facts available in order to calculate TUNA's margin. *See* the ''Use of Facts Available'' section of this notice for further discussion.

On June 24, 2004, Hylsa submitted its response to sections B and C. On July 6, 2004, petitioners filed comments on Hylsa's section B and C responses. On July 9, 2004, Hylsa submitted its response to the supplemental section A questionnaire. On July 13, 2004, the Department issued a supplemental questionnaire for deficiencies in Hylsa's section B and C responses. On August 2, 2004, Hylsa filed its response to the supplemental sections B and C questionnaire. On August 24, 2004, the Department issued a second supplemental questionnaire for deficiencies remaining in any of the aforementioned responses from Hylsa. On September 3, 2004, Hylsa submitted its response to the Department's final supplemental questionnaire.

On July 9, 2004, petitioners submitted allegations of sales below cost of production (''COP'') against Hylsa. On July 20, 2004, the Department requested petitioners to submit further information supporting their sales below cost allegation. On July 22, 2004, petitioners submitted their response to Department's request for more information on the sales below COP allegation. Upon a thorough review of petitioners' allegations, the Department initiated a sales below COP investigation on July 30, 2004. *See* ''Cost of Production Analysis'' section of this notice below.

On August 23, 2004, Hylsa submitted its response to section D (cost of production). On September 1, 2004, petitioners submitted comments on Hylsa's August 23, 2004, submission. On September 3, 2004, the Department issued a supplemental questionnaire on section D. On September 16, 2004, the Department issued a second supplemental questionnaire on section D. On September 21, 2004, Hylsa submitted its response to the Department's September 3 and September 16 supplemental questionnaires.

On July 21, 2004, due to the complexity of the case and pursuant to section 733(c)(1)(B) of the Tariff Act of 1930, the Department postponed the preliminary determinations in the antidumping duty investigations of certain circular carbon quality line pipe from Mexico and the Republic of Korea until not later than September 29, 2004. *See Certain Circular Welded Carbon Quality Line Pipe from Mexico and the Republic of Korea; Postponement of Preliminary Determinations of Antidumping Duty Investigations, 69 FR 44641* (July 27, 2004).

Postponement of Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for an extension of the provisional measures from a four-month period to not more than six months. On September 17, 2004, Hylsa requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until 135 days after the publication of the preliminary determination. In its request, Hylsa consented to the extension of provisional measures to no longer than two months. Since this preliminary determination is affirmative, the request for postponement is made by an exporter that accounts for a significant proportion of exports of the subject merchandise, and there is no compelling reason to deny the respondent's request, we have extended the deadline for issuance of the final determination until the 135th day after the date of publication of this preliminary determination in the **Federal Register** and have extended provisional measures to no longer than two months.

Period of Investigation

The POI is January 1, 2003, through December 31, 2003. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition, *i.e.,* March 2004.

Scope of Investigation

The scope of this investigation includes certain circular welded carbon quality steel line pipe of a kind used in oil and gas pipelines, over 32 mm (1¼ inches) in nominal diameter (1.660 inch actual outside diameter) and not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, or coated with any coatings compatible with line pipe), and regardless of end finish (plain end, beveled ends for welding, threaded ends or threaded and coupled, as well as any other special end finishes), and regardless of stenciling. The merchandise subject to this investigation may be classified in the Harmonized Tariff Schedule of the United States (''HTSUS'') at heading 7306 and subheadings 7306.10.10.10, 7306.10.10.50, 7306.10.50.10, and 7306.10.50.50. The tariff classifications are provided for convenience and Customs purposes; however, the written description of the scope of the investigation is dispositive.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all LP produced and sold by the respondents in Mexico during the POI that fit the description in the ''Scope of Investigation'' 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 home market. Where there were no sales of identical merchandise in the home market 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. 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'').

In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondents in the following order of importance: epoxy coating, grade, outside diameter, wall thickness, surface finish, and end finish.

In response to the Department's solicitation of comments on product characteristics, petitioners submitted remarks on the draft model-match characteristics issued on April 30, 2004. In their request, petitioners urged the Department to revise the size ranges for the outer diameter, wall thickness characteristics, and the deletion of weld type characteristic. On May 12, 2004, Hylsa submitted its comments, in which it requested that the Department revise its product-matching characteristics to give the greatest weight to the existence or absence of an epoxy coating. Also on May 12, 2004, Korean respondent SeAH Steel Corp. (''SeAH'') submitted comments. SeAH noted that while the Department's proposed model-match of May 4, 2004 contemplated matching to specific sizes of wall thickness and outside diameter, petitioners' April 30, 2004 comments suggested matching for outside diameter and wall thickness using ranges. SeAH urged the Department not to provide arbitrary limitations on ranges.

Upon careful analysis of comments from all parties, on May 21, 2004, the Department made changes to the model-match criteria and asked both Hylsa and TUNA to use the revised model-match criteria in answering sections B and C of the Department's questionnaire. The Department accepted Hylsa's suggestion of giving the greatest weight to the existence or absence of an epoxy coating, as Hylsa demonstrated that such a coating can add substantially to the cost of a product. We accepted petitioners' proposed ranges for outside diameter and wall thickness as the Department's examination of industry specifications indicated that the ranges were a reasonable reflection of the production of the merchandise in question and were not arbitrary.

Fair Value Comparisons

To determine whether sales of certain circular welded carbon-quality line pipe from Mexico to the United States were made at LTFV, we compared the export price (''EP'') to the normal value (''NV''), as described in the ''Export Price'' and ''Normal Value'' sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI weighted-average EPs to NVs, and where there were no similar product matches, we compared EP to CV.

We used the date of invoice as the date of sale for all home market and U.S. sales made by Hylsa during the POI.

As discussed below under ''Home Market Viability and Comparison Market Selection,'' we determined that Hylsa had a viable home market during the POI.

Export Price

Section 772(a) of the Act defines EP as 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 outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection 772(c) of the Act. We used EP methodology for Hylsa, in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States before importation. We based EP on the prices of subject merchandise delivered and duty paid to unaffiliated purchasers in the United States.

In accordance with section 772(c)(2) of the Act, we made deductions from the starting price for movement expenses, brokerage and duties, discounts, billing adjustments, and rebates, where appropriate. In the case of inland freight, the Department added to the gross unit price the difference of the amount Hylsa charged its customers, and the actual freight costs incurred by Hylsa. *See* Memorandum to the File, regarding Preliminary Determination Analysis Memo for Hylsa, S.A. de C.V. (''Hylsa'') in the Antidumping Investigation of Certain Circular Welded Carbon Quality Line Pipe from Mexico for the Period January 1, 2003, through December 31, 2003, dated September 29, 2004.

Normal Value

A. Home Market Viability and Comparison Market Selection

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.,* the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act.

In this investigation, we determined that Hylsa's aggregate volume of home market sales of the foreign like product was greater than five percent of the aggregate volume of U.S. sales of the subject merchandise. Therefore, we used home market sales as the basis for NV in accordance with section 773(a)(1)(B) of the Act. We also used CV as the basis for calculating NV, in accordance with section 773(a)(4) of the

Act, for those sales that did not have identical or similar product matches.

B. 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 level of trade (''LOT'') as the EP transaction. The NV LOT is that of the starting-price sales in the comparison market. For EP sales, the U.S. LOT is also the level of the starting-price sale, which is usually from exporter to importer.

To determine whether comparison-market sales are at a different LOT than EP transactions, 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.

In implementing these principles in this investigation, we obtained information from Hylsa about the marketing stages involved in the reported U.S. and home market sales, including a description of the selling activities performed by the respondent for each channel of distribution they may have. In identifying LOTs for EP and home market sales, we considered the selling functions reflected in the starting price before any adjustments.

In conducting our LOT analysis for Hylsa, we examined the specific types of customers, the channels of distribution, and the selling practices of the respondent. Generally, if the reported LOTs are the same, the functions and activities of the seller should be similar. Conversely, if a party reports LOTs that are different for different categories of sales, the functions and activities should be dissimilar.

Through our analysis, we found that Hylsa sold LP to two types of customers in the U.S. and home market: distributors and end users. In addition, Hylsa made sales of LP in the U.S. and home market through one channel of distribution: sales to unaffiliated customers. The selling activities in both markets were essentially identical. Therefore, we preliminarily find these sales channels at the same LOT. Accordingly, the Department did not find any differences sufficient enough to warrant an adjustment for LOT pursuant to section 773(a)(7)(A).

C. Cost of Production Analysis

Based on allegations by the petitioners, and in accordance with section 773(b)(2)(A)(i) of the Act, we found reasonable grounds to believe or suspect that LP sales were made in Mexico at prices below COP. *See* Memorandum from John Drury and Shireen Pasha, Case Analysts, to Richard Weible, Office Director, regarding Petitioners' Allegation of Sales Below the Cost of Production for Hylsa S.A. de C.V., dated July 30, 2004. As a result, the Department has conducted an investigation to determine whether Hylsa made home market sales at prices below their respective COPs during the POI within the meaning of section 773(b) of the Act. We conducted the COP analysis described below.

1. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for G&A expenses, and interest expenses.

In its section D response, Hylsa explained that its cost accounting system does not distinguish cost differences between individual products within production stages. Hylsa stated that its normal cost calculations do not track cost differences due to the use of different raw materials or different production times. Thus, Hylsa's reported costs did not represent product- or CONNUM-specific costs. Product-specific costs are necessary in order to calculate the difference-in-merchandise adjustment, and thus, are a requirement for a proper price-to-price comparison when comparing non-identical products. Product specific costs are also necessary in order to perform a sales below cost test.

We requested that Hylsa identify the cost and production differences that give rise to each physical characteristic and, starting from the costs per their normal records, to use other available accounting and production data to differentiate product costs. Further, we requested an explanation for little or no associated cost differences due to physical characteristics. In response, Hylsa revised their reported costs and have accounted for cost differences associated with steel grades, pipe wall thickness and diameter, as well as end finishing, coating, and surface finishing. Thus, we used the COP data submitted by Hylsa in its supplemental cost questionnaire responses.

2. Test of Home Market Sales Prices

We compared the weighted-average COP for Hylsa to its home market sales prices of the foreign like product, as required under section 773(b) of the Act, to determine whether these sales had been made at prices below the COP within an extended period of time (*i.e.*, a period of one year) in substantial quantities and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time.

On a model-specific basis, we compared the revised COP to the home market prices, less any applicable movement charges, discounts, rebates, and direct and indirect selling expenses.

3. Results of the COP Test

We disregarded below-cost sales where (1) 20 percent or more of Hylsa's sales of a given product during the POI were made at prices below the COP, and thus such sales were made within an extended period of time in substantial quantities in accordance with sections 773(b)(2)(B) and (C) of the Act, and (2) based on comparisons of price to weighted-average COPs for the POI, we determined that the below-cost sales of the product were at prices which would not permit recovery of all costs within a reasonable time period, in accordance with section 773(b)(2)(D) of the Act. We found that Hylsa made sales below cost as described above and we disregarded such sales where appropriate.

D. Calculation of Normal Value Based on Comparison Market Prices

We calculated Hylsa's NV based on delivered prices to unaffiliated customers. We made deductions for movement expenses, including inland freight, and brokerage and handling under section 773(a)(6)(B)(ii) of the Act, by deducting the actual costs incurred by Hylsa and adding the revenue earned. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 for differences in circumstances of sale for discounts and rebates and other direct selling expenses. We also deducted home market packing costs and added U.S. packing costs to the starting price in accordance with section 773(a)6(A) and (B) of the Act.

E. Calculation of Normal Value Based on Constructed Value

In accordance with section 773(a)(4) of the Act, we based Hylsa's NV on CV where there were no comparable sales in the home market made in the ordinary course of trade, or where all sales of comparable merchandise failed the cost test.

In accordance with section 773(e) of the Act, we calculated CV based on the sum of Hylsa's cost of materials and fabrication for the foreign like product, plus amounts for SG&A, profit, and U.S. packing costs. We calculated the cost of materials and fabrication, G&A and interest based on the methodology described in the ''Calculation of COP'' section of this notice. We made adjustments to CV for differences in circumstances of sale in accordance with section 773(a) of the Act and 19 CFR 351.410.

Use of Facts Otherwise Available

For the reasons discussed below, we determine that the use of total adverse facts available is appropriate for the preliminary determination with respect to TUNA.

Section 776(a)(1) of the Act mandates that the Department use the facts available if necessary information is not available on the record of the proceeding. In addition, section 776(a)(2) of the Act provides that, if an interested party withholds information that has been requested by the Department, fails to provide such information in a timely manner or in the form or manner requested, significantly impedes a proceeding under the antidumping statute, or provides such information but the information cannot be verified, the Department shall, subject to sections 782(d) and (e) of the Act, use facts otherwise available in reaching the applicable 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 Department's request, the Department shall promptly inform the responding party and provide an opportunity to remedy the deficient submission. If the party fails to remedy the deficiency 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. Section 782(e) of the Act further states that the Department shall not decline to consider submitted information if all of the following requirements are met: (1) The information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties.

In this case, TUNA has failed to provide information requested by the Department that is necessary to calculate dumping margins. As explained above, TUNA refused to respond to sections B (home market sales & adjustments) and C (U.S. sales & adjustments), and supplemental section A questionnaires. TUNA also indicated it would not respond to section D of the questionnaire covering cost of production data. We note that we cannot perform an antidumping analysis solely on the basis of the section A response provided by TUNA. This limited information is so incomplete that it cannot, for purposes of section 782(e)(3), ''serve as a reliable basis for reaching the applicable determination.'' Therefore, we are unable to use this information and must resort to facts otherwise available. Pursuant to section 776(a) of the Act, in reaching our preliminary determination, we have used total facts available for TUNA because it did not provide the data we needed to determine whether it had sold subject merchandise to the United States at LTFV.

In applying facts otherwise available, section 776(b) of the Act further provides that the Department may use an inference that is adverse to the interests of that party, 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.'' Because TUNA failed to respond to our repeated requests for information, and informed the Department it would not respond to all questionnaires, we have found that it failed to cooperate to the best of its ability. Therefore, pursuant to section 776(b) of the Act, we have used an adverse inference in selecting from the facts available for the margin for TUNA.

An adverse inference may include reliance on information derived from the petition, or any other information placed on the record. *See* section 776(b). As adverse facts available, we used the EP and NV alleged by petitioners in their March 19, 2003, amendment to the petition. *See* Preliminary Determination in the Antidumping Investigation of Certain Circular Welded Carbon Quality Line Pipe: Total Adverse Facts Available Corroboration Memorandum, from John Drury and Shireen Pasha, Case Analysts, to Abdelali Elouaradia, Program Manager, dated September 14, 2004 (''Corroboration Memo'').

We note that information from the petition constitutes ''secondary information.'' *See* Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Rep. No. 103–316, at 870 (1994) (SAA). Section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate secondary information used for facts available by reviewing independent sources reasonably at its disposal. The Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. 103–316, at 870 (1994) (SAA), provides that the word ''corroborate'' means that the Department will satisfy itself that the secondary information used has probative value. As explained in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and 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 Review, 61 FR 57391, 57392* (November 6, 1996) (''*TRBs*''), in order to corroborate secondary information, the Department will examine, to the extent practicable, the reliability and relevance of the information used.

The petitioners' methodology for calculating the EP and normal value in the petition is discussed in the initiation notice. *See Initiation Notice* at 16523. To corroborate the petitioners' EP and normal-value calculations, we compared the prices and expenses in the petition to the prices and expenses submitted by the other responding company, Hylsa, for comparable products where appropriate. We were able to corroborate petitioners' allegations of EP and NV. Specifically, and as further discussed in our Corroboration Memo, we find that the petition information is reliable when compared to Hylsa's prices and expenses. *See* Corroboration Memo.

We further note that, with respect to the relevance aspect of corroboration, the Department stated in TRBs that it will ''consider information reasonably at its disposal as to whether there are circumstances that would render a margin irrelevant. Where circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin.'' *See TRBs at 61 FR 57392. See also Fresh Cut Flowers from Mexico; Final Results of Antidumping Duty Administrative Review, 61 FR 6812, 6814 (February 22, 1996)* (disregarding the highest margin in the case as best information available because the margin was based on another company's uncharacteristic business expense resulting in an extremely high margin).

In this case, there is no information on the record that demonstrates that the rate we have selected is an inappropriate total adverse facts-

available rate for TUNA. On the contrary, the record supports the use of this rate as the best indication of the EP, and the dumping margin for TUNA. Therefore, we consider the selected rate to have probative value with respect to the firm in question and to reflect the appropriate adverse inference.

Accordingly, for the preliminary determination, the margin for TUNA is 31.34 percent, which is the highest estimated dumping margin set forth in the notice of initiation. *See Initiation Notice*, 69 FR 16523. Because this is a preliminary margin, the Department will consider all margins on the record at the time of the final determination for the purpose of determining the most appropriate final margin for this company.

Verification

As provided in section 782(i) of the Act, we will verify all information relied upon in making our final determination.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which NV exceeds EP, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin (%)
Hylsa, S.A. de C.V.	14.93
Tuberia Nacional, S.A. de C.V.	31.34
All Others	14.93

The All Others rate is derived exclusive of all *de minimis* margins and margins based entirely on adverse facts available.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary affirmative determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Disclosure

We will disclose the calculations used in our analysis to parties in this proceeding in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs for this investigation must be submitted to the Department no later than seven days after the date of the final verification report is issued in this proceeding. Rebuttal briefs must be filed five days from the deadline date for case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Section 774 of the Act provides that the Department will hold a public hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held two days after the rebuttal brief deadline date at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

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, U.S. Department of Commerce, Room 1870, within 30 days of the 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 the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

We will make our final determination no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to sections 733(f) and 777(i) of the Act.

Dated: September 29, 2004.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. E4–2524 Filed 10–5–04; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–809]

Stainless Steel Flanges from India: Notice of Initiation of Antidumping Duty New Shipper Review

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

ACTION: Notice of initiation of new shipper antidumping duty review.

SUMMARY: The Department of Commerce (the Department) has received requests for new shipper reviews of the antidumping duty order on certain forged stainless steel flanges from India issued on February 9, 1994 (59 FR 5994). In accordance with section 751(a)(2)(B) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.214(d) (2003), we are initiating an antidumping new shipper review of Hilton Forge (Hilton). We have also determined not to initiate new shipper reviews of Shree Ganesh Forgings, Ltd. (Shree Ganesh) and Paramount Forge (Paramount), exporters and producers that also requested new shipper reviews.

DATES: October 6, 2004.

FOR FURTHER INFORMATION CONTACT: Fred Baker, Michael Heaney, or Robert James, AD/CVD Enforcement Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, telephone: (202) 482–2924, (202) 482–4475, or (202) 482–0649, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department received three timely requests, in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214(d) of the Department's regulations, for new shipper reviews of the antidumping duty order on certain forged stainless steel flanges (flanges) from India. *See Amended Final Determination and Antidumping Duty Order; Certain Forged Stainless Steel Flanges from India,* 59 FR 5994 (February 9, 1994). *See* also the letters to the Secretary of Commerce dated August 31, 2004, requesting new shipper reviews on behalf of Hilton, Paramount, and Shree Ganesh, exporters/producers of flanges.

Pursuant to the Department's regulations at 19 CFR 351.214(b), Hilton certified in its August 31, 2004, submission that it did not export subject merchandise to the United States during