

the Department's regulations, we are initiating those administrative reviews.

EFFECTIVE DATE: April 21, 2003.

FOR FURTHER INFORMATION CONTACT:

Holly A. Kuga, Office of AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW.,

Washington, DC 20230, telephone: (202) 482-4737.

SUPPLEMENTARY INFORMATION:

Background

The Department has received timely requests, in accordance with 19 CFR 351.213(b)(2002), for administrative reviews of various antidumping and countervailing duty orders and findings with March anniversary dates.

Initiation of Reviews

In accordance with section 19 CFR 351.221(c)(1)(i), we are initiating administrative reviews of the following antidumping and countervailing duty orders and findings. We intend to issue the final results of these reviews not later than March 31, 2004.

	Period to be reviewed
Antidumping duty proceedings	
Germany: Stainless Steel Bar, A-428-830 BGH Edeltahl Freital GmbH/BGH, Edeltahl Lippendorf GmbH/BGH, Edeltahl Lugau GmbH/BGH, Edeltahl Siegen GmbH	8/2/01-2/28/03
Italy: Stainless Steel Bar, A-475-829 Foroni S.p.A. Ugine-Savoie Imphy	8/2/01-2/28/03
Thailand: Circular Welded Carbon Steel Pipes & Tubes A-549-502 Saha Thai Steel Pipe Company, Ltd.	3/1/02-2/28/03
United Kingdom: Stainless Steel Bar, A-412-822 Corus Engineering Steels Limited Firth Rixson Special Steels Limited	8/2/01-2/28/03
Countervailing Duty Proceedings	
Iran: In-Shell Raw Pistachios, C-507-501 Rafsanjan Pistachio Producers Cooperative	1/1/02-12/31/02
Suspension Agreements	
None.	

During any administrative review covering all or part of a period falling between the first and second or third and fourth anniversary of the publication of an antidumping duty order under section 351.211 or a determination under section 351.218(f)(4) to continue an order or suspended investigation (after sunset review), the Secretary, if requested by a domestic interested party within 30 days of the date of publication of the notice of initiation of the review, will determine whether antidumping duties have been absorbed by an exporter or producer subject to the review if the subject merchandise is sold in the United States through an importer that is affiliated with such exporter or producer. The request must include the name(s) of the exporter or producer for which the inquiry is requested.

Interested parties must submit applications for disclosure under administrative protective orders in accordance with 19 CFR 351.305.

These initiations and this notice are in accordance with section 751(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1675(a)), and 19 CFR 351.221(c)(1)(i).

Dated: April 16, 2003.

Thomas F. Futtner,

Acting Senior Office Director, Group II, Office 4, Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-824]

Preliminary Results of Anti-Circumvention Review of Antidumping Order: Corrosion-Resistant Carbon Steel Flat Products from Japan

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

ACTION: Notice of Preliminary Results of Anti-Circumvention Review of Antidumping Order: Corrosion-Resistant Carbon Steel Flat Products from Japan.

SUMMARY: As a result of our inquiry, we preliminarily determine that respondents' exports of boron-added corrosion-resistant carbon steel flat ("CRS") products from Japan to the United States are not circumventing the antidumping duty order on corrosion-resistant carbon steel flat products from Japan.

EFFECTIVE DATE: April 21, 2003.

FOR FURTHER INFORMATION CONTACT:

Catherine Bertrand or James Doyle, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-3207 and (202) 482-0159, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 11, 1998, petitioner USS-POSCO Industries ("UPI") requested that the Department conduct an anti-circumvention inquiry pursuant to section 781(c) of the Tariff Act of 1930, as amended ("the Act") to determine whether imports of boron-added CRS products, falling within the physical dimensions outlined in the scope of the order, are circumventing the antidumping duty order on corrosion-resistant carbon steel sheet from Japan. *See Antidumping Duty Orders; Certain Corrosion Resistant Carbon Steel Flat Products from Japan*, 58 FR 44163 (August 19, 1993). Specifically, petitioner alleges that Japanese exporters have been circumventing the order by exporting hot-dipped and electrolytically zinc coated sheet to which small amounts of boron (e.g., 0.0020 and 0.0025 percent by weight based on laboratory tests of

two samples) have been added. Carbon steel sheet, as defined by the HTSUS, has a maximum boron content of less than 0.0008% by weight. If the boron content exceeds that level, the products enter the United States as a hot-dipped or electrolytic alloy rather than carbon steel sheet, and are thus not required to pay antidumping duties.

Petitioner argues that import statistics indicate that imports of hot-dipped and electrolytic alloy sheet to West Coast ports rose from 25,256 NT in 1996 to 50,478 NT for the first 6 months of 1998, while imports of the carbon sheet equivalent decreased from 16,013 NT in 1996 to 5,975 NT for the first six months of 1998.¹

In addition, petitioner alleges that the addition of boron is generally immaterial (if not detrimental) to the performance characteristics of the merchandise, and that other than the addition of boron, the overall characteristics of the alloy vis-a-vis the carbon product are virtually identical. In fact, petitioner claims that, in some circumstances, the addition of boron could hamper the product's formability.²

On October 30, 1998, the Department initiated this anti-circumvention inquiry in response to petitioner's request. See *Notice of Initiation of Anti-circumvention Inquiry on Antidumping Duty Order: Corrosion-Resistant Carbon Steel Flat Products from Japan*, 63 FR 58364 (October 30, 1998). The Court of International Trade ("CIT") enjoined the case by a temporary restraining order on October 30, 1998, which was lifted on October 18, 2000, following a decision by the U.S. Court of Appeals for the Federal Circuit ("CAFC"). On December 4, 2000, the Department sent a first round of questionnaires to Nippon Steel Corporation ("NSC"), NKK Steel Corporation ("NKK"), Nisshin Steel Company Limited ("Nisshin"), Kobe Steel Company Limited ("Kobe"), Sumitomo Steel Corporation ("Sumitomo"), and Kawasaki Steel Corporation ("Kawasaki"). Nisshin did not respond to any of the Department's communications. A supplemental questionnaire was issued on February 6, 2001, after which Kawasaki and Sumitomo informed the Department by

letter on February 22 and 20, 2001, respectively, that they would not be participating in this inquiry. The remaining three companies submitted their supplemental responses on February 27, 2001. The Department issued a second supplemental to NSC and NKK on March 13 and March 15, 2001, respectively. In addition, the Department sent questionnaires to two of NSC's trading companies and to one of NKK's traders. Department officials conducted verifications of NKK, one of its traders and NSC from April 23 through April 27, 2001. On August 8, 2001, the Department issued a third supplemental to NSC and NKK and a second supplemental to Kobe. On February 19, 2003, the Department issued a fourth supplemental questionnaire to NSC and NKK.

Scope of the Order

The scope of this order is as follows: the products covered by the antidumping duty order include flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTSUS under item numbers 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090. Included in this order are corrosion-resistant flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling") for example,

products which have been beveled or rounded at the edges.

Excluded from this order are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating.

Also excluded from this order are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness.

Also excluded from this order are certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio.

Also excluded from this order are certain corrosion-resistant carbon steel flat products meeting the following specifications: (1) widths ranging from 10 millimeters (0.394 inches) through 100 millimeters (3.94 inches); (2) thicknesses, including coatings, ranging from 0.11 millimeters (0.004 inches) through 0.60 millimeters (0.024 inches); and (3) a coating that is from 0.003 millimeters (0.00012 inches) through 0.005 millimeters (0.000196 inches) in thickness and that is comprised of either two evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum, followed by a layer consisting of chromate, or three evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum followed by a layer consisting of chromate, and finally a layer consisting of silicate.

Also excluded from this order are carbon steel flat products measuring 1.84 millimeters in thickness and 43.6 millimeters or 16.1 millimeters in width consisting of carbon steel coil (SAE 1008) clad with an aluminum alloy that is balance aluminum, 20% tin, 1% copper, 0.3% silicon, 0.15% nickel, less than 1% other materials and meeting the requirements of SAE standard 783 for Bearing and Bushing Alloys.

Also excluded from this order are carbon steel flat products measuring 0.97 millimeters in thickness and 20 millimeters in width consisting of carbon steel coil (SAE 1008) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that is balance copper, 9% to 11% tin, 9% to 11% lead, less than 1% zinc, less than

¹ The HTS does not provide a separate designation for boron-added CRS products. As a result, UPI has relied on the broader "alloy" category designated by the relevant HTS numbers, as these are the HTS numbers under which boron-added CRS products would properly be entered.

² *Formability*: the relative ease with which a metal can be shaped through plastic deformation. *Plastic deformation*: deformation that does or will remain permanent after removal of the load that caused it. *Metals Handbook*, 1985, edited by Howard E. Boyer and Timothy L. Gall.

1% other materials and meeting the requirements of SAE standard 792 for Bearing and Bushing Alloys, the second layer consisting of 45% to 55% lead, 38% to 50% PTFE, 3% to 5% molybdenum disulfide and less than 2% other materials.

Also excluded from this order are doctor blades meeting the following specifications: carbon steel coil or strip, plated with nickel phosphorous, having a thickness of 0.1524 millimeters (0.006 inches), a width between 31.75 millimeters (1.25 inches) and 50.80 millimeters (2.00 inches), a core hardness between 580 to 630 HV, a surface hardness between 900 - 990 HV; the carbon steel coil or strip consists of the following elements identified in percentage by weight: 0.90% to 1.05% carbon; 0.15% to 0.35% silicon; 0.30% to 0.50% manganese; less than or equal to 0.03% of phosphorous; less than or equal to 0.006% of sulfur; other elements representing 0.24%; and the remainder of iron.

Also excluded from this order are products meeting the following specifications: carbon steel flat products measuring 1.64 millimeters in thickness and 19.5 millimeters in width consisting of carbon steel coil (SAE 1008) with a lining clad with an aluminum alloy that is balance aluminum; 10 to 15% tin; 1 to 3% lead; 0.7 to 1.3% copper; 1.8 to 3.5% silicon; 0.1 to 0.7% chromium, less than 1% other materials and meeting the requirements of SAE standard 783 for Bearing and Bushing Alloys.

Also, excluded from this order are products meeting the following specifications: carbon steel coil or strip, measuring 1.93 millimeters or 2.75 millimeters (0.076 inches or 0.108 inches) in thickness, 87.3 millimeters or 99 millimeters (3.437 inches or 3.900 inches) in width, with a low carbon steel back comprised of: carbon under 8%, manganese under 0.4%, phosphorous under 0.04%, and sulfur under 0.05%; clad with aluminum alloy comprised of: 0.7% copper, 12% tin, 1.7% lead, 0.3% antimony, 2.5% silicon, 1% maximum total other (including iron), and remainder aluminum.

Also excluded from this order are products meeting the following specifications: carbon steel coil or strip, clad with aluminum, measuring 1.75 millimeters (0.069 inches) in thickness, 89 millimeters or 94 millimeters (3.500 inches or 3.700 inches) in width, with a low carbon steel back comprised of: carbon under 8%, manganese under 0.4%, phosphorous under 0.04%, and sulfur under 0.05%; clad with aluminum alloy comprised of: 0.7%

copper, 12% tin, 1.7% lead, 2.5% silicon, 0.3% antimony, 1% maximum total other (including iron), and remainder aluminum.

Also excluded from this order are products meeting the following specifications: carbon steel coil or strip, measuring a minimum of and including 1.10mm to a maximum of and including 4.90mm in overall thickness, a minimum of and including 76.00mm to a maximum of and including 250.00mm in overall width, with a low carbon steel back comprised of: carbon under 0.10%, manganese under 0.40%, phosphorous under 0.04%, sulfur under 0.05%, and silicon under 0.05%; clad with aluminum alloy comprised of: under 2.51% copper, under 15.10% tin, and remainder aluminum as listed on the mill specification sheet.

Also excluded from this order are products meeting the following specifications: (1) diffusion annealed, non-alloy nickel-plated carbon products, with a substrate of cold-rolled battery grade sheet ("CRBG") with both sides of the CRBG initially electrolytically plated with pure, unalloyed nickel and subsequently annealed to create a diffusion between the nickel and iron substrate, with the nickel plated coating having a thickness of 0-5 microns per side with one side equaling at least 2 microns; and with the nickel carbon sheet having a thickness of from 0.004" (0.10mm) to 0.030" (0.762mm) and conforming to the following chemical specifications (%): C \leq 0.08; Mn \leq 0.45; P \leq 0.02; S \leq 0.02; Al \leq 0.15; and Si \leq 0.10; and the following physical specifications: Tensile = 65 KSI maximum; Yield = 32 - 55 KSI; Elongation = 18% minimum (aim 34%); Hardness = 85 - 150 Vickers; Grain Type = Equiaxed or Pancake; Grain Size (ASTM) = 7-12; Delta r value = aim less than +/- 0.2; Lankford value \geq 1.2.; and (2) next generation diffusion-annealed nickel plate meeting the following specifications: (a) nickel-graphite plated, diffusion annealed, tin-nickel plated carbon products, with a natural composition mixture of nickel and graphite electrolytically plated to the top side of diffusion annealed tin-nickel plated carbon steel strip with a cold rolled or tin mill black plate base metal conforming to chemical requirements based on AISI 1006; having both sides of the cold rolled substrate electrolytically plated with natural nickel, with the top side of the nickel plated strip electrolytically plated with tin and then annealed to create a diffusion between the nickel and tin layers in which a nickel-tin alloy is created, and an additional layer of mixture of natural nickel and graphite

then electrolytically plated on the top side of the strip of the nickel-tin alloy; having a coating thickness: top side: nickel-graphite, tin-nickel layer \geq 1.0 micrometers; tin layer only \geq 0.05 micrometers, nickel-graphite layer only $>$ 0.2 micrometers, and bottom side: nickel layer \geq 1.0 micrometers; (b) nickel-graphite, diffusion annealed, nickel plated carbon products, having a natural composition mixture of nickel and graphite electrolytically plated to the top side of diffusion annealed nickel plated steel strip with a cold rolled or tin mill black plate base metal conforming to chemical requirements based on AISI 1006; with both sides of the cold rolled base metal initially electrolytically plated with natural nickel, and the material then annealed to create a diffusion between the nickel and the iron substrate; with an additional layer of natural nickel-graphite then electrolytically plated on the top side of the strip of the nickel plated steel strip; with the nickel-graphite, nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling, or any other evidence of separation; having a coating thickness: top side: nickel-graphite, tin-nickel layer \geq 1.0 micrometers; nickel-graphite layer \geq 0.5 micrometers; bottom side: nickel layer \geq 1.0 micrometers; (c) diffusion annealed nickel-graphite plated products, which are cold-rolled or tin mill black plate base metal conforming to the chemical requirements based on AISI 1006; having the bottom side of the base metal first electrolytically plated with natural nickel, and the top side of the strip then plated with a nickel-graphite composition; with the strip then annealed to create a diffusion of the nickel-graphite and the iron substrate on the bottom side; with the nickel-graphite and nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling, or any other evidence of separation; having coating thickness: top side: nickel-graphite layer \geq 1.0 micrometers; bottom side: nickel layer \geq 1.0 micrometers; (d) nickel-phosphorous plated diffusion annealed nickel plated carbon product, having a natural composition mixture of nickel and phosphorus electrolytically plated to the top side of a diffusion annealed nickel plated steel strip with a cold rolled or tin mill black plate base metal conforming to the chemical requirements based on AISI 1006; with both sides of the base metal initially electrolytically plated with natural nickel, and the material then annealed

to create a diffusion of the nickel and iron substrate; another layer of the natural nickel-phosphorous then electrolytically plated on the top side of the nickel plated steel strip; with the nickel-phosphorous, nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling or any other evidence of separation; having a coating thickness: top side: nickel-phosphorous, nickel layer ≥ 1.0 micrometers; nickel-phosphorous layer ≥ 0.1 micrometers; bottom side: nickel layer ≥ 1.0 micrometers; (e) diffusion annealed, tin-nickel plated products, electrolytically plated with natural nickel to the top side of a diffusion annealed tin-nickel plated cold rolled or tin mill black plate base metal conforming to the chemical requirements based on AISI 1006; with both sides of the cold rolled strip initially electrolytically plated with natural nickel, with the top side of the nickel plated strip electrolytically plated with tin and then annealed to create a diffusion between the nickel and tin layers in which a nickel-tin alloy is created, and an additional layer of natural nickel then electrolytically plated on the top side of the strip of the nickel-tin alloy; sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling or any other evidence of separation; having coating thickness: top side: nickel-tin-nickel combination layer ≥ 1.0 micrometers; tin layer only ≥ 0.05 micrometers; bottom side: nickel layer ≥ 1.0 micrometers; and (f) tin mill products for battery containers, tin and nickel plated on a cold rolled or tin mill black plate base metal conforming to chemical requirements based on AISI 1006; having both sides of the cold rolled substrate electrolytically plated with natural nickel; then annealed to create a diffusion of the nickel and iron substrate; then an additional layer of natural tin electrolytically plated on the top side; and again annealed to create a diffusion of the tin and nickel alloys; with the tin-nickel, nickel plated material sufficiently ductile and adherent to the substrate to permit forming without cracking, flaking, peeling or any other evidence of separation; having a coating thickness: top side: nickel-tin layer ≥ 1 micrometer; tin layer alone ≥ 0.05 micrometers; bottom side: nickel layer ≥ 1.0 micrometer.

Also excluded from this order are products meeting the following specifications: (1) widths ranging from 10 millimeters (0.394 inches) through 100 millimeters (3.94 inches); (2)

thicknesses, including coatings, ranging from 0.11 millimeters (0.004 inches) through 0.60 millimeters (0.024 inches); and (3) a coating that is from 0.003 millimeters (0.00012 inches) through 0.005 millimeters (0.000196 inches) in thickness and that is comprised of either two evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum, followed by a layer consisting of phosphate, or three evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum followed by a layer consisting of phosphate, and finally a layer consisting of silicate.

ANALYSIS

In anti-circumvention cases we have historically analyzed several matters in determining if circumvention of the order is taking place. As part of our analysis, we look to the claims made in the circumvention inquiry request, and if during the review we find that those claims are not supported by the information on the record, then the existence of circumvention is called into question.

In the *Preliminary Determination of Circumvention of Antidumping Order; Cut-to-Length Carbon Steel Plate from Canada*, the Department found that the order was being circumvented through the addition of boron. See *Preliminary Determination of Circumvention of Antidumping Order; Cut-to-Length Carbon Steel Plate from Canada* 65 FR 64926 (October 31, 2000) (“*Canadian Plate*”). Although this current anti-circumvention review also involves the addition of boron to merchandise which is subject to the order, each anti-circumvention review is highly dependent on the facts on the record, and must be analyzed in light of those specific facts. As we did in *Canadian Plate*, in this case we looked at the circumstances surrounding the products allegedly circumventing the order, including the timing of those entries during the review period and the total quantity of the merchandise entering the United States in determining whether the claims made in the circumvention inquiry request are correct. See *Canadian Plate*, 65 FR at 64930. In addition, in the case of an allegation of a “minor alteration” claim under 781(c) of the Act, it is the Department’s practice to look to five specific factors (see the *Minor Alterations Factors* section below) to determine if circumvention exists in a particular case. See *Brass Sheet and Strip from Germany; Negative Preliminary Determination of Circumvention of Antidumping Duty Order*, (“*Brass Sheet*”) 55 FR 32655, 32657 (August 10,

1990) and *Electrical Conductor Aluminum Redraw Rod from Venezuela; Final Affirmative Scope Ruling*, (“*Electrical Conductor*”) 56 FR 42310, 42310 (August 27, 1991). After reviewing the allegations made in the circumvention inquiry request, the “minor alteration” factors and the information on the record, the Department has preliminarily determined that no circumvention of the order exists in this case.

Allegations in the Circumvention Inquiry Request

Petitioner made several allegations in its request regarding the subject merchandise and the respondents’ conduct. Petitioner alleged that the Japanese manufacturers of CRS added the allegedly “immaterial” element, boron, to their product for the sole purpose of circumventing the antidumping duty order. See Petitioner’s Circumvention Inquiry Request dated September 11, 1998 (“Request”) at page 7. Petitioner also claimed there were no metallurgical reasons for adding boron to CRS. See Request at page 10. Furthermore, petitioner alleged that imports into the United States of CRS to which boron had been added increased rapidly and substantially since the publication of the order. See Request at page 4.

During the course of the review, the Department found that there are commercially and metallurgically viable reasons for the addition of boron in the context of the Continuous Annealing Process (“CAP”). In the production of CRS, there are essentially two types of annealing processes - batch annealing and the CAP. For the CRS producers which use the CAP, the addition of boron is not “immaterial” to the performance characteristics of the final product. This contrasts with our findings in *Canadian Plate*, in which the parties did not use the CAP or claim any benefit from the addition of boron with respect to the annealing process. Moreover, at verification the Department found nothing on the record inconsistent with a respondent’s statement that the addition of boron helps the product be “more consistent” throughout the length and width of the coil, and also results in a more formable product, when used specifically in the CAP. See NSC’s Verification Report at page 4. As such, the Department found commercially and metallurgically viable reasons for the addition of boron to CRS.

Furthermore, the Department found that there were imports to the United States of boron-added CRS at the time the scope of the order was drafted and published by the Department. Also, the

Department found that the decision by some respondents for using the CAP and adding boron to that process was made in the 1970s and the 1980s due to the CAP's shorter processing time. In addition, the Department found that, while other respondents determined that the addition of boron was beneficial following the publication of the order, such determinations were based upon scientific research and development. All of the respondents' research and development information which we reviewed showed that the addition of boron assisted the CAP, and therefore may have led to a more efficient production process. *See, e.g.,* Exhibit 9 of NSC's Verification Report dated June 7, 2001.

Petitioner also alleged, using data available to them through 1998, that the amount of CRS to which boron was added increased between 1996 and June 1998. Petitioner projected that this rapid increase in alloy imports would continue into the foreseeable future. *See* Request at page 4. In order to evaluate petitioner's allegation, we analyzed a broader historical view of the trade pattern and found that the increase of CRS boron-added imports was temporary. Additionally, data on the record shows that there was also an increase during the same time period for sales in the home market and third country markets, which suggests that the increase alleged by petitioner was unrelated to the existence of the CRS Order. The information on the record also reflects that currently only very small amounts of CRS boron-added imports are entering the United States from the two largest exporters of boron-added CRS. *See* February 26, 2003, submission from NSC and NKK. The information on the record demonstrates that when viewed over the relevant time period, increases in CRS boron-added imports are not consistent with petitioner's allegation that circumvention of the order is taking place.

The Minor Alterations Factors

The Department's standard practice in analyzing a claim of the existence of circumvention under section 781(c) of the Act is to review the following factors to determine if an article has been altered in form or appearance in minor respects so as to result in circumvention of the order: 1) overall physical characteristics; 2) expectations of the ultimate users; 3) use of the merchandise; 4) channels of marketing; and 5) cost of modification. *See Brass Sheet*, 55 FR 32657, *Electrical Conductor*, 56 FR 42310, and *Canadian Plate*, 65 FR 64926. In this case, we

applied the factors and found that, for companies that use the CAP, the addition of boron is not a minor alteration.

During the course of this inquiry the Department found that there are commercially and metallurgically viable reasons for the addition of boron when used in the CAP. The information on the record demonstrates that boron is beneficial to the overall physical characteristics of the final product. Additionally, the boron-added material performed better than the non-boron added CRS and was better able to meet specific expectations of the ultimate user. Although the cost of adding boron was not "in and of itself" significant, when taken into consideration with the research and development costs these companies expended to determine the benefits of adding boron to the CAP, the overall cost was significant. Finally, for the factor "channels of marketing," we believe the boron-added products move in the same general channel as the subject merchandise of the order, however that has been the case since the inception of the CAP as boron was introduced to the product through the development of the CAP methodology. In this case, showing the same channels of marketing were used does not support a finding of circumvention. Also, the information on the record, including trade statistics, shows that the trade flow of these products was not altered by the order, as discussed above. Thus, taking all of these factors together, the Department has determined that there was no circumvention of the order by the companies reviewed in this case.

THE DEPARTMENT'S PRELIMINARY DECISION

As shown by the analysis above, there are several factors that the Department may review to determine if an alteration is "minor", and therefore if circumvention exists. Notably, in every anti-circumvention case the Department investigates, the facts are different and some factors may appear to support a finding that an alteration is "minor," while others may not. Because anti-circumvention cases are extremely fact-specific, the Federal Circuit noted in this case that this inquiry would "probably involve subtle distinctions and difficult economic issues relating to the nature of, the reason for and the effect of the changes NSC Steel made in its steel products." *Nippon Steel Corporation, NKK, et al. v. United States*, 219 F.3d 1348, 1354 (July 26, 2000).

In this case, the Department initiated the minor alteration inquiry based on information available to, and provided

by, the petitioner at that time it filed its Request. After development of the record and consideration of all the information on the record, we preliminarily determine that many of the allegations made in the Request are not supported by the record. We have made this determination based on reviewing the information on the record regarding NSC, NKK, and Kobe, and also on the verification of NSC and NKK. NSC and NKK are the two largest exporters of this merchandise, use the CAP, and provided scientific, commercial, and historical explanations for the addition of boron to the CRS.

The vast majority of merchandise which the Department reviewed in this case was boron-added CRS which was used in conjunction with the CAP. Kobe did not report to the Department exporting boron-added merchandise which had gone through the CAP. However, it did report a limited number of sales to one customer of batch annealed, boron-added CRS. Kobe's sales were limited in number and also did not reflect the surge alleged in the Request. Accordingly, we did not find circumvention with respect to any of the merchandise reviewed in this case. To the extent that the other Japanese producers of CRS have added boron to CRS, exclusive of the CAP, we have no evidence of such usage on the record.

Additionally, after reviewing the data provided by five of the six respondents, we conclude that the universe of boron-added CRS from Japan has been fully reported. With respect to the volumes provided by petitioner in filing its request, the total reported data from all the responding companies exceeds the import volumes of the merchandise which petitioner identified in its request as problematic for 1996³ and 1998 and virtually all of these imports of boron-added CRS to the United States were produced by NSC and NKK, which were verified by the Department. Therefore, there is little likelihood of any significant volumes of relevant imports existing which have not been reported by other companies. Thus, for purposes of this review we have found no circumvention of CRS from Japan.

PRELIMINARY DETERMINATION

As a result of our inquiry, we have preliminarily determined that exports of boron-added corrosion-resistant carbon steel flat products from Japan are not circumventing the antidumping duty

³ The volume reported by respondents for 1997 exceeded the amount the petitioner reported in its Request for that year. Petitioner's data for 1998 was only through June 1998, however when doubling that data, NKK and NSC combined imports still exceeded petitioner's estimate.

order on corrosion-resistant carbon steel flat products from Japan.

The evidence on the record of this inquiry, taken as a whole, leads to our preliminary determination that the United States imports of boron-added corrosion-resistant carbon steel flat products from the respondents were not minor alterations of the subject merchandise, within the meaning of section 781(c) of the Act. Pursuant to the Department's analysis, we believe these boron-added products have commercially and metallurgically viable reasons for the addition of boron.

Public Comment

Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument. Parties to the proceedings may request a hearing within 14 days of publication. Any hearing, if requested, will be held no later than two days after the deadline for the submission of rebuttal briefs, or the first workday thereafter. Case briefs may be submitted by interested parties not later than 14 days after the date of publication of this notice. Pursuant to 19 CFR 351.309(d)(1), rebuttal briefs and rebuttals to written comments, limited to the issues raised in those comments, may be filed no later than five days after the deadline for submission of case briefs. All written comments shall be submitted in accordance with 19 C.F.R. 351.303 and shall be served on all interested parties on the Department's service list in accordance with 19 C.F.R. 351.303. Persons interested in attending the hearing should contact the Department for the date and time of the hearing.

This determination is issued and published in accordance with section 781(c) of the Act and section 351.225(i) of the Department's regulations.

Dated: April 14, 2003.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 03-9734 Filed 4-18-03; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-848]

Freshwater Crawfish Tail Meat from the People's Republic of China; Notice of Final Results of Antidumping Duty Administrative Review

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

SUMMARY: On October 16, 2002, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on freshwater crawfish tail meat from the People's Republic of China (PRC). See *Freshwater Crawfish Tail Meat from the People's Republic of China: Notice of Preliminary Results of Antidumping Duty Administrative Review*, 67 FR 63877 (October 16, 2002) (*Preliminary Results*). The administrative review covers the period September 1, 2000, through August 31, 2001.

Based on our analysis of the comments received, we have made changes to our analysis. Therefore, the final results differ from the *Preliminary Results*. The final weighted-average dumping margins for the reviewed firms are listed below in the section entitled "Final Results of Review."

EFFECTIVE DATE: April 21, 2003.

FOR FURTHER INFORMATION CONTACT: Elfi Blum or Doug Campau, Office of Antidumping/Countervailing Duty Enforcement VII, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-0197 or (202) 482-1395, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 16, 2002, the Department published the preliminary results of its administrative review of the antidumping duty order on freshwater crawfish tail meat from the PRC. See *Preliminary Results*. The administrative review covers the period September 1, 2000, through August 31, 2001. The review covers the following companies: China Kingdom Import & Export Co., Ltd. (China Kingdom); Fujian Pelagic Fishery Group Co. (Fujian Pelagic); Qingdao Rirong Foodstuff Co., Ltd., aka Qingdao Rirong Foodstuffs (Qingdao Rirong); Qingdao Zhengri Seafood Co., Ltd./Yancheng Yaou Seafood Co., Ltd. (Qingdao Zhengri/Yancheng Yaou); Shantou SEZ Yangfeng Marine Products

Co. (Shantou SEZ); Suqian Foreign Trade Corp., aka Suqian Foreign Trading (Suqian Foreign Trade); Yancheng Foreign Trade Corp., aka Yancheng Foreign Trading, aka Yang Cheng Foreign Trading (Yancheng Foreign Trade); and Yangzhou Lakebest Foods Co., Ltd. (Yangzhou Lakebest).

Since the publication of the *Preliminary Results*, the following events have occurred. Based on new information obtained by the Department through public sources, the Department issued an additional supplemental questionnaire to Qingdao Rirong on October 24, 2002. Qingdao Rirong responded to the Department's questionnaire on November 4, 2002. On November 15, 2002, we received timely filed case briefs from the Crawfish Processors Alliance, its members (together with the Louisiana Department of Agriculture and Forestry, Bob Odom, Commissioner), and the Domestic Parties (collectively, the Domestic Interested Parties); and China Kingdom and Qingdao Zhengri/Yancheng Yaou, and on November 20, 2002, we received timely filed rebuttal briefs from the Domestic Interested Parties with respect to China Kingdom and Qingdao Zhengri/Yancheng Yaou, and from Qingdao Rirong. On December 31, 2002, the Department released to the interested parties for comment the *Memorandum from Elfi Blum and Scot Fullerton, Case Analysts, through Maureen Flannery, Program Manager, Office of AD/CVD Enforcement VII, to Barbara Tillman, Director, Office of AD/CVD Enforcement VII: Freshwater Crawfish Tail Meat from the People's Republic of China for the period of September 1, 2000, through August 31, 2001 (A-570-848): Analysis of Relationship between Qingdao Rirong Foodstuff Co., Ltd., and Y&Z International Trade Inc.*, dated December 31, 2002 (*Affiliation Memo*). We received comments on the & from Qingdao Rirong on January 14, 2003 and, after approving an extension for rebuttal comments, we received rebuttal comments from the Domestic Interested Parties on January 27, 2003.

On February 7, 2003, the Department extended the time limit for the completion of these final results to April 14, 2003. See *Freshwater Crawfish Tail Meat from the People's Republic of China: Extension of Time Limit for Final Results of Administrative Antidumping Review*, 68 FR 7345 (February 13, 2002). The Department has now completed this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Due to issues concerning the proprietary treatment of information