

### Preliminary Results of Review

As a result of our review, we preliminarily determine the weighted-average dumping margin for the manufacturer/exporter listed below for the period July 1, 2006, through June 30, 2007, to be as follows:

Manufacturer/Exporter	Margin (percent)
CP Kelco B.V. (formerly known as Noviant B.V.) .....	7.02

The Department will disclose calculations performed in connection with these preliminary results of review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. *See* 19 CFR 351.309(c)(ii). Rebuttal briefs and rebuttals to written comments, limited to issues raised in the case briefs and comments, may be filed no later than five days after the time limit for filing case briefs. *See* 19 CFR 351.309(d). Parties who submit argument in these proceedings are requested to submit with the argument: (1) A statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities. *See* 19 CFR 351.309(c)(2). Executive summaries should be limited to five pages total, including footnotes. Further, we request that parties submitting briefs and rebuttal briefs provide the Department with a copy of the public version of such briefs on diskette. An interested party may request a hearing within 30 days after the publication of the preliminary results. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs. *See* 19 CFR 351.310(d). The Department will issue the final results of this review, including the results of our analysis of the issues raised in any such written comments or at a hearing, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

### Assessment Rates

Upon completion of this review the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), the Department calculates an assessment rate for each importer of the subject merchandise covered by the review. The Department intends to issue assessment instructions to CBP 15 days

after the date of publication of the final results of review.

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). This clarification will apply to entries of subject merchandise during the POR produced by CP Kelco and for which CP Kelco did not know another company would export its merchandise to 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 company(ies) involved in the transaction.

### 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 of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate listed in the final results of review; (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be the all-others rate of 14.57 percent, which is the all-others rate established in the LTFV investigation. *See CMC Order*. 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.

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

Dated: July 30, 2008.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-405-803]

### Purified Carboxymethylcellulose From Finland; Notice of Preliminary Results of Antidumping Duty Administrative Review

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

**SUMMARY:** In response to requests from Aqualon Company, a division of Hercules Inc. (the petitioner) and respondents CP Kelco OY and CP Kelco U.S., Inc. (collectively, CP Kelco), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on purified carboxymethylcellulose (CMC) from Finland. The review covers exports of the subject merchandise to the United States produced by CP Kelco. The period of review (POR) is July 1, 2006, through June 30, 2007.

We preliminarily find that CP Kelco made sales at less than normal value (NV) during the POR. If these preliminary results are adopted in our final results of this review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties based on differences between the export price (EP) or constructed export price (CEP) and NV.

**DATES:** *Effective Date:* August 7, 2008.

**FOR FURTHER INFORMATION CONTACT:** Tyler Weinhold or Robert James, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1121 or (202) 482-0649, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

The Department published the antidumping duty order on CMC from Finland on July 11, 2005. *See Notice of Antidumping Duty Orders: Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands, and Sweden,*

70 FR 39734 (July 11, 2005). On July 3, 2007, the Department published the notice of opportunity to request an administrative review of CMC from Finland for the period July 1, 2006, through June 30, 2007. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 72 FR 36420 (July 3, 2007).

On July 25, 2007, the petitioner requested a review of CP Kelco for the period July 1, 2006, through June 30, 2007. On July 27, 2007, CP Kelco requested an administrative review for the same period. On August 24, 2007, the Department published in the **Federal Register** a notice of initiation of this antidumping duty administrative review. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 72 FR 48613 (August 24, 2007).

On August 27, 2007, the Department issued its standard antidumping questionnaire (antidumping questionnaire) to CP Kelco. CP Kelco submitted its response to section A of the Department's antidumping questionnaire on October 5, 2007 (CP Kelco's Section A Response). CP Kelco submitted its response to sections B and C of the antidumping questionnaire on October 22, 2007 (CP Kelco's Sections B and C Response).

On November 15, 2007, the Department issued a supplemental questionnaire to CP Kelco regarding its responses to sections A, B, and C of the antidumping questionnaire. CP Kelco submitted its response to the Department's supplemental questionnaire on December 11, 2007 (CP Kelco's December 11, 2007, Response). On January 18, 2008, the Department issued a second supplemental regarding CP Kelco's response to sections A, B, and C. CP Kelco submitted its response to the Department's supplemental questionnaire on February 12, 2008 (CP Kelco's February 12, 2008, Response).

On November 7, 2007, petitioner alleged that, during the POR, CP Kelco made sales of the foreign like product at prices below the cost of production (COP) in the home market. On January 18, 2008, the Department initiated an investigation to determine whether CP Kelco's sales of CMC were made at prices below CP Kelco's cost of production. *See Memorandum from Ji Young Oh, of the Office of Accounting and Tyler Weinhold, case analyst, to Richard O. Weible, Director, Office 7, AD/CVD Enforcement, regarding Petitioner's Allegation of Sales Below the Cost of Production for CP Kelco Oy*, dated January 18, 2008 (Cost Initiation

Memo). The preliminary results of this investigation are discussed in the "Normal Value" section of this notice, below. On January 18, 2008, the Department sent a letter to CP Kelco requesting that the company respond to section D of the Department's antidumping questionnaire. CP Kelco submitted its response on February 4, 2008 (CP Kelco's Section D Response).

On March 3, 2008, the Department issued a supplemental questionnaire to CP Kelco regarding its Section D response. CP Kelco submitted its response to the Department's supplemental questionnaire on March 25, 2008 (CP Kelco's March 25, 2008, Response). On March 31, 2008, the Department issued a second section D supplemental questionnaire to CP Kelco. CP Kelco submitted its response to the Department's supplemental questionnaire on April 11, 2008 (CP Kelco's April 11, 2008, Response). On May 13, 2008, the Department issued a third section D supplemental questionnaire to CP Kelco. CP Kelco submitted its response to the Department's supplemental questionnaire on May 27, 2008 (CP Kelco's May 27, 2008, Response).

Because it was not practicable to complete this review within the normal time frame, on March 11, 2008, the Department published in the **Federal Register** a notice of the extension for the preliminary results of this review. *See Purified Carboxymethylcellulose from Finland, Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Review*, 73 FR 12950 (March 11, 2008). This extension established the deadline for these preliminary results as July 30, 2008.

#### Scope of the Order

The merchandise covered by this order is all purified carboxymethylcellulose (CMC), sometimes also referred to as purified sodium CMC, polyanionic cellulose, or cellulose gum, which is a white to off-white, non-toxic, odorless, biodegradable powder, comprising sodium CMC that has been refined and purified to a minimum assay of 90 percent. Purified CMC does not include unpurified or crude CMC, CMC Fluidized Polymer Suspensions, and CMC that is cross-linked through heat treatment. Purified CMC is CMC that has undergone one or more purification operations which, at a minimum, reduce the remaining salt and other by-product portion of the product to less than ten percent. The merchandise subject to this order is classified in the Harmonized Tariff Schedule of the United States at subheading 3912.31.00. This tariff

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

#### Fair Value Comparisons

To determine whether sales of CMC in the United States were made at less than NV, we compared U.S. price to NV, as described in the "Export Price," "Constructed Export Price," and "Normal Value" sections of this notice. In accordance with section 777A(d)(2) of the Tariff Act of 1930, as Amended (the Tariff Act), we calculated monthly weighted-average NVs and compared these to individual U.S. transactions. Because we determined CP Kelco made both EP and CEP sales during the POR, we used both EP and CEP as the basis for U.S. price in our comparisons. We used the invoice date, as recorded in CP Kelco's normal books and records as the date of sale for CP Kelco's EP, CEP, and home market sales. For a more detailed discussion of these calculations, *see Memorandum from Tyler Weinhold to the File, "Analysis of Data Submitted by CP Kelco U.S. Inc. and CP Kelco Oy, (collectively, CP Kelco) in the Preliminary Results of the 2006–2007 Administrative Review of the Antidumping Duty Order on Purified Carboxymethylcellulose (CMC) from Finland (A–405–803)," (Preliminary Analysis Memorandum).*

#### Product Comparisons

In accordance with section 771(16) of the Tariff Act, we considered all products produced by CP Kelco covered by the description in the "Scope of the Order" section, above, and sold in the home market during the POR, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We relied on five characteristics to match U.S. sales of subject merchandise to home market sales of the foreign like product (listed in order of priority): (1) Grade; (2) viscosity; (3) degree of substitution; (4) particle size; and (5) solution gel characteristics. *See the antidumping questionnaire at Appendix 5.* Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of these product characteristics and the reporting instructions listed in the antidumping questionnaire. Because there were sales of identical or similar merchandise in the home market suitable for comparison to each U.S. sale, we did not compare any U.S. sales to constructed value (CV).

### Export Price

Section 772(a) of the Tariff 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 of subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under section 772(c).” In accordance with section 772(a) of the Tariff Act, we used EP for a number of CP Kelco’s U.S. sales. We have preliminarily found that these sales are properly classified as EP sales because these sales were made before the date of importation and were sales directly to unaffiliated U.S. customers.

We based EP on the packed, delivered duty paid or free-on-board (FOB)-warehouse prices to unaffiliated customers in the United States. We made adjustments for price or billing adjustments and discounts, where applicable. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Tariff Act, which included, where appropriate, foreign inland freight, international freight, marine insurance, and U.S. brokerage and handling. We also reduced movement expenses, where appropriate, by the amount of certain freight revenue (*i.e.*, revenue received from customers for invoice items covering transportation expenses) paid by the customer. Additionally, we made adjustments for direct selling expenses (credit expenses) in accordance with section 772(c)(2)(A) of the Tariff Act.

CP Kelco incurred certain expenses as a result of factoring certain sales (*i.e.*, selling the accounts receivable associated with those sales to an affiliated financial institution in exchange for an immediate payment). For factored sales, we made an adjustment to gross unit price based upon the difference between the face value of the accounts receivables factored and the immediate payment received upon the factoring of those receivables (factoring charges).

### Constructed Export Price

In accordance with section 772(b) of the Tariff Act, CEP is “the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise, or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter,” as adjusted

under sections 772(c) and (d) of the Tariff Act. In accordance with section 772(b) of the Tariff Act, we used CEP for a number of CP Kelco’s U.S. sales because CP Kelco sold merchandise to affiliate CP Kelco U.S., Inc. in the United States which, in turn, sold subject merchandise to unaffiliated U.S. customers. We have preliminarily found that these U.S. sales are properly classified as CEP sales because they occurred in the United States and were made through CP Kelco’s U.S. affiliate, CP Kelco U.S., Inc., to unaffiliated U.S. customers.

We based CEP on the packed, delivered duty paid or FOB-warehouse prices to unaffiliated purchasers in the United States. We made adjustments for price or billing adjustments, early payment discounts, and factoring charges,<sup>1</sup> where applicable. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Tariff Act, which included, where appropriate, foreign inland freight, foreign brokerage and handling, international freight, marine insurance, customs duties, U.S. brokerage, U.S. inland freight, and U.S. warehousing expenses. We also reduced movement expenses, where appropriate, by the amount of freight revenue paid by the customer. In accordance with section 772(d)(1) of the Tariff Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (imputed credit expenses), inventory carrying costs, and indirect selling expenses. We also made an adjustment for profit in accordance with section 772(d)(3) of the Tariff Act.

### Further-Manufactured U.S. Sales

CP Kelco made certain sales of subject merchandise to Huber Engineered Materials (HEM), an affiliated company in the United States. *See* CP Kelco’s Sections B and C Response at pages C–33 and C–34, and CP Kelco’s December 11, 2007, Response at pages 12 and 13. The total quantity of this material represented less than 10 percent of CP Kelco’s total U.S. sales. *See* Section A of CP Kelco’s December 11, 2007, Response at pages 12 and 13 and at Exhibit A–32 and CP Kelco’s February 12, 2008 Response at pages 4 to 6 and Exhibits A–33 and A–34. This material was then further manufactured by HEM into non-subject merchandise, which was then sold to unaffiliated U.S. customers. *See* section A of CP Kelco’s December 11, 2007 Response at pages 12 and 13 and CP Kelco’s February 12,

2008, Response at pages 4 to 6 and Exhibits A–33 and A–34.

Section 772(e) of the Tariff Act provides that when the value added in the United States by an affiliated party is likely to exceed substantially the value of the subject merchandise, the Department shall use one of the following prices to determine CEP if there is a sufficient quantity of sales to provide a reasonable basis of comparison and the use of such sales is appropriate: (1) The price of identical subject merchandise sold by the exporter or producer to an unaffiliated person; or (2) the price of other subject merchandise sold by the exporter or producer to an unaffiliated person.

In accordance with 19 CFR 351.402(c)(2), we conducted an analysis to determine whether the value added by HEM to the subject merchandise after importation in the United States was at least 65 percent of the price charged to the first unaffiliated purchaser for the merchandise as sold in the United States. *See* 19 CFR 351.402(c)(2). Our analysis showed that the value added by HEM was significantly greater than 65 percent. Therefore, we determine that the value added in the United States by HEM exceeds substantially the value of the subject merchandise. *Id.* *See also* section A of CP Kelco’s December 11, 2007, Response at pages 12 and 13 and Exhibit C–32, and CP Kelco’s February 12, 2008, Response at pages 4 to 6 and Exhibits A–33 and A–34.

We then considered whether there were sales of identical subject merchandise or other subject merchandise sold in sufficient quantities by the exporter or producer to an unaffiliated person that could provide a reasonable basis of comparison. In addition to the sales of subject merchandise to HEM which was further manufactured, CP Kelco also made CEP sales of identical subject merchandise to unaffiliated customers in the United States through CP Kelco U.S., Inc.

Decisions as to the appropriate methodology for determining CEP for sales involving further manufacturing generally must be made on a case-by-case basis. *See, e.g., Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 72 FR 51584, 51586 (September 10, 2007) (unchanged in final results, 73 FR 14220 (March 17, 2008)). In the instant review, we find the quantity of sales of identical merchandise to unaffiliated customers is sufficiently large to serve as a reasonable basis for the calculation of

<sup>1</sup> *See* EP section, above.

CEP. The value added to the CMC after importation is very large and the further manufacturing very complex. Therefore, similar to our practice in other cases (see, e.g., *Certain Hot-Rolled Carbon Steel Flat Products from the Netherlands; Final Results of Antidumping Duty Administrative Review*, 72 FR 28676 (May 22, 2007); *Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 72 FR 51584, (September 10, 2007) (unchanged for final results, 73 FR 14220 (March 17, 2008)), we have applied the preliminary weighted-average margin reflecting the rate calculated for sales of identical or other subject merchandise sold to unaffiliated customers in the United States.

## Normal Value

### A. Selection of Comparison Market

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product was equal to or greater than five percent of the aggregate volume of U.S. sales), we compared the 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) of the Tariff Act. As CP Kelco's 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, we determined the home market was viable. Therefore, we have based NV on home market sales in the usual commercial quantities and in the ordinary course of trade.

### B. Cost of Production Analysis

As explained above in the Background section of this notice, on November 7, 2007, the petitioner alleged that CP Kelco made sales of the foreign like product at prices below the COP in the home market during the POR. The Department found there were reasonable grounds to believe or suspect that sales in the home market were made at prices below the COP. Therefore, pursuant to section 773(b)(1) of the Tariff Act, we initiated a cost investigation on January 18, 2008, to determine whether CP Kelco's sales made during the POR were at prices below its COP. See Cost Initiation Memo.

### C. Calculation of Cost of Production (COP)

In accordance with section 773(b)(3) of the Tariff Act, we calculated the weighted-average COP for each model based on the sum of CP Kelco's materials and fabrication costs for the foreign like product, plus an amount for home market selling expenses, general and administrative (G&A) expenses, financial expenses, and packing costs. We relied on the COP data submitted by CP Kelco. At our request, CP Kelco submitted two G&A expense variables, "GNA," which is CP Kelco's G&A expenses reported according to CP Kelco's international financial reporting standards (IFRS) financial statements, and "ALTGNA," which is CP Kelco's G&A expenses reported according to CP Kelco's Finnish accounting standards (FAS) financial statements. See CP Kelco's Section A response at Exhibits 20 and 21 and (CP Kelco Oy's 2006 FAS and IFRS audited financial statements, respectively). Both sets of financial statements are audited.

The differences between these two separate financial statements and the accounting methods used to prepare them do not affect any other expenses besides G&A expenses. The primary relevant difference between the two financial statements is that CP Kelco's FAS financial statements include an amount for goodwill amortization expense, while CP Kelco's IFRS financial statements do not include goodwill amortization expense.

We find that CP Kelco's FAS financial statements reflect CP Kelco's normal books and records. In addition, CP Kelco's FAS financial statements were also prepared using materially the same accounting standards as those used to prepare the financial statements referenced in the previous segment of this proceeding. See *Purified Carboxymethylcellulose from Finland, Notice of Final Results of Antidumping Duty Administrative Review*, 72 FR 70568 (December 12, 2007) and the accompanying Issues and Decisions Memorandum at Comment 1. Thus, CP Kelco's "ALTGNA" represents the G&A expenses reported according to CP Kelco's normal books and records. Therefore, in our analysis, we have used CP Kelco's alternative G&A expense variable, "ALTGNA." See the Preliminary Analysis Memorandum at page 4.

### D. Test of Home Market Prices

We compared the weighted-average COP of CP Kelco's home market sales to home market sales prices of the foreign like product (net of billing adjustments,

discounts, any applicable movement expenses, direct and indirect selling expenses, and packing), as required under section 773(b) of the Tariff Act in order to determine whether these sales had been made at prices below the COP. In determining whether to disregard home market sales made at prices below the COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Tariff Act, whether such sales were made in substantial quantities within an extended period of time, and whether such sales were made at prices which would permit recovery of all costs within a reasonable period of time.

### E. Results of the Cost Test

Pursuant to section 773(b)(2)(C) of the Tariff Act, where less than 20 percent of CP Kelco's sales of a given model were at prices less than the COP, we did not disregard any below-cost sales of that model because these below-cost sales were not made in substantial quantities. Where 20 percent or more of CP Kelco's home market sales of a given model were at prices less than the COP, we disregarded the below-cost sales because such sales were made: (1) within an extended period of time and in "substantial quantities" within the POR, in accordance with section 773(b)(2)(B) and (C) of the Tariff Act, and (2) at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Tariff Act (*i.e.*, the sales were made at prices below the weighted-average per-unit COP for the POR). In this review, we have disregarded such sales from our margin calculation. We used the remaining sales as the basis for determining NV, if such sales existed, in accordance with section 773(b)(1) of the Tariff Act.

### F. Price-to-Price Comparisons

We calculated NV based on prices to unaffiliated customers. We made adjustments for billing adjustments, early payment discounts, rebates, and factoring charges,<sup>2</sup> where appropriate. We made deductions, where appropriate, for foreign inland freight, pursuant to section 773(a)(6)(B) of the Tariff Act. We also offset inland freight for any freight revenue. In addition, when comparing sales of similar merchandise, we made adjustments for differences in cost (*i.e.*, DIFMER), where those differences were attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Tariff Act and section 351.411 of the

<sup>2</sup> See EP section, above.

Department's regulations. We also made adjustments for differences in circumstances of sale (COS) in accordance with section 773(a)(6)(C)(iii) of the Tariff Act and section 351.410 of the Department's regulations. We made COS adjustments for imputed credit expenses. We also made an adjustment, where appropriate, for the CEP offset in accordance with section 773(a)(7)(B) of the Tariff Act. See "Level of Trade and CEP Offset" section below. Finally, we deducted home market packing costs and added U.S. packing costs in accordance with sections 773(a)(6)(A) and (B) of the Tariff Act.

#### G. Constructed Value (CV)

In accordance with section 773(a)(4) of the Tariff Act, we base NV on CV if we are unable to find a contemporaneous comparison market match of such or similar merchandise for the U.S. sale. Section 773(e) of the Tariff Act provides that CV shall be based on the sum of the cost of materials and fabrication employed in making the subject merchandise, selling, general, and administrative (SG&A) expenses, profit, and U.S. packing costs. We calculated the cost of materials and fabrication for CP Kelco based on the methodology described in the COP section of this notice. In accordance with section 773(e)(2)(A) of the Tariff Act, we based SG&A expenses and profit on the amounts incurred and realized by CP Kelco in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. However, for these preliminary results, we did not base NV on CV in any instances.

#### Level of Trade and CEP Offset

In accordance with section 773(a)(1)(B) of the Tariff Act, to the extent practicable, we base NV on sales made in the comparison market at the same level of trade (LOT) as the export transaction. The NV LOT is based on the starting price of sales in the home market or, when NV is based on CV, on the LOT of the sales from which SG&A expenses and profit are derived. With respect to CEP transactions in the U.S. market, the CEP LOT is defined as the level of trade of the constructed sale from the exporter to the importer. See section 773(a)(7)(A) of the Tariff Act.

To determine whether NV sales are at a different LOT than CEP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the customer. 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 Tariff Act. For CEP sales, if the NV LOT is more remote from the factory than the CEP LOT and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Tariff Act (the CEP offset provision). See, e.g., *Final Determination of Sales at Less Than Fair Value: Greenhouse Tomatoes From Canada*, 67 FR 8781 (February 26, 2002) and accompanying Issues and Decisions Memorandum at Comment 8; see also *Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products from Brazil; Preliminary Results of Antidumping Duty Administrative Review*, 70 FR 17406, 17410 (April 6, 2005) (unchanged in final results of review, 70 FR 58683 (October 7, 2005)). For CEP sales, we consider only the selling activities reflected in the U.S. price after the deduction of expenses incurred in the U.S. and CEP profit under section 772(d) of the Tariff Act. See *Micron Technology, Inc. v. United States*, 243 F.3d 1301, 1314–1315 (Fed. Cir. 2001). We expect that if the claimed LOTs are the same, the functions and activities of the seller should be similar. Conversely, if a party claims the LOTs are different for different groups of sales, the functions and activities of the seller should be dissimilar. See *Porcelain-on-Steel Cookware from Mexico; Final Results of Antidumping Duty Administrative Review*, 65 FR 30068 (May 10, 2000) and accompanying Issues and Decisions Memorandum at Comment 6.

CP Kelco reported it had sold CMC to end users and distributors in the home market and to end users and distributors in the United States. CP Kelco identified two channels of distribution for sales in both the home market and the U.S. market: end users (channel 1) and distributors (channel 2). See CP Kelco's Sections B and C Response at page B–12. In the home market, CP Kelco claims its end user and distributor channels of distribution represent separate LOTs and that CP Kelco's home market sales to end users were made at the same LOT as CP Kelco's EP sales. *Id.* at B–18. However, because the Department found in the previous review that there was only one LOT in the home market, CP Kelco reported only one level of trade in its home market sales listing. See *Purified Carboxymethylcellulose from*

*Finland; Notice of Preliminary Determination of Antidumping Duty Administrative Review*, 74 FR 44106 (August 7, 2007) (unchanged in the final results, 72 FR 70568 (December 12, 2007)).

As described above, CP Kelco made both direct (EP) sales of subject merchandise to U.S. customers and sales of subject merchandise through its affiliate, CP Kelco U.S., Inc. (CEP sales). CP Kelco reported that its EP sales to both end users and distributors were made at the same LOT as sales made to home market end users. See CP Kelco's Sections B and C Response at page B–18. However, CP Kelco reported that its CEP sales were made at a different LOT.

We obtained information from CP Kelco regarding the marketing stages involved in making its reported home market and U.S. sales. CP Kelco provided a table listing all selling activities performed, and comparing the LOT among each channel of distribution for both markets. See CP Kelco's Section A response at page A–29. We reviewed the intensity to which all selling functions were performed for each home market channel of distribution and customer category and between CP Kelco's EP and home market channels of distribution and customer categories.

While we found differences in the levels of intensity performed for some of these functions between the home market end user and distributor channels of distribution, such differences are minor and do not establish distinct and separate levels of trade in Finland. Based on our analysis of all of CP Kelco's home market selling functions, we find all home market sales were made at the same LOT. Further, we find only minor differences between the sole home market LOT and that of CP Kelco's EP sales. Accordingly, we preliminarily determine CP Kelco's home market and EP sales were made at the same LOT.

We then compared the NV LOT, based on the selling activities associated with the transactions between CP Kelco and its customers in the home market, to the CEP LOT, which is based on the selling activities associated with the transaction between CP Kelco and its affiliated importer, CP Kelco U.S., Inc. Our analysis indicates the selling functions performed for home market customers are either performed at a higher degree of intensity or are greater in number than the selling functions performed for CP Kelco U.S., Inc. For example, in comparing CP Kelco's selling activities, we find most of the reported selling functions performed in the home market are not a part of CEP transactions (*i.e.*, sales negotiations, credit risk

management, collection, sales promotion, direct sales personnel, technical support, guarantees, and discounts). For those selling activities performed for both home market sales and CEP sales (*i.e.*, customer care, logistics, inventory maintenance, packing, and freight/delivery), CP Kelco reported it performed each activity at either the same or at a higher level of intensity in one or both of the home market channels of distribution. We note that CEP sales from CP Kelco to CP Kelco U.S., Inc. generally occur at the beginning of the distribution chain, representing essentially a logistical transfer of inventory. In contrast, all sales in the home market occur closer to the end of the distribution chain and involve smaller volumes and more customer interaction which, in turn, require the performance of more selling functions. Based on the foregoing, we conclude that the NV LOT is at a more advanced stage than the CEP LOT.

Because we found the home market and U.S. CEP sales were made at different LOTs, we examined whether a LOT adjustment or a CEP offset may be appropriate in this review. As we found only one LOT in the home market, it was not possible to make a LOT adjustment to home market sales, because such an adjustment is dependent on our ability to identify a pattern of consistent price differences between the home market sales on which NV is based and home market sales at the LOT of the CEP sales. *See* 19 CFR 351.412(d)(1)(ii). Furthermore, we have no other information that provides an appropriate basis for determining a LOT adjustment. Because the data available do not form an appropriate basis for making a LOT adjustment, and because the NV LOT is at a more advanced stage of distribution than the CEP LOT, we have made a CEP offset to NV in accordance with section 773(a)(7)(B) of the Tariff Act.

#### Currency Conversions

CP Kelco reported certain U.S. sales prices and certain U.S. expenses and adjustments in euros. Therefore, we made euro-U.S. dollar currency conversions, where appropriate, based on the exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Board, in accordance with section 773A(a) of the Tariff Act.

#### Preliminary Results of Review

As a result of our review, we preliminarily find the following weighted-average dumping margin exists for the period July 1, 2006, through June 30, 2007:

Manufacturer/Exporter	Weighted Average Margin (percentage)
CP Kelco .....	13.89

The Department will disclose calculations performed within five days of the date of publication of this notice in accordance with section 351.224(b) of the Department's regulations. An interested party may request a hearing within thirty days of publication. *See* section 351.310(c) of the Department's regulations. Any hearing, if requested, will be held 37 days after the date of publication, or the first business day thereafter, unless the Department alters the date pursuant to section 351.310(d) of the Department's regulations.

#### Comments

Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than 35 days after the date of publication of this notice. Parties who submit arguments in these proceedings are requested to submit with the argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Further, parties submitting written comments should provide the Department with an additional copy of the public version of any such comments on diskette. The Department will issue final results of this administrative review, including the results of our analysis of the issues in any such written comments or at a hearing, within 120 days of publication of these preliminary results.

#### Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. Upon completion of this administrative review, pursuant to section 351.212(b) of the Department's regulations, the Department will calculate an assessment rate on all appropriate entries. CP Kelco has reported entered values for all of its sales of subject merchandise to the U.S. during the POR. Therefore, in accordance with section 351.212(b)(1) of the Department's regulations, we will calculate importer-specific duty assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of the examined sales of that importer. These rates will be assessed uniformly on all entries the respective importers made during the POR. Where the assessment rate is above *de minimis*, we will

instruct CBP to assess duties on all entries of subject merchandise by that importer. The Department will issue appropriate appraisal instructions directly to CBP fifteen days after publication of the final results of review.

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). This clarification will apply to entries of subject merchandise during the period of review produced by the respondent for which it did not know its merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate un-reviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction. *Id.*

#### Cash Deposit Requirements

Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of CMC from Finland entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Tariff Act: (1) The cash deposit rate for CP Kelco will be the rate established in the final results of review; (2) if the exporter is not a firm covered in this review or the less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (3) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be the "all others" rate of 6.65 percent (*ad valorem*) from the LTFV investigation. *See Notice of Antidumping Duty Orders: Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands and Sweden*, 70 FR 39734 (July 11, 2005). These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

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

Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double the antidumping duties.

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

Dated: July 30, 2008.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E8-18246 Filed 8-6-08; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-931]

#### **Circular Welded Austenitic Stainless Pressure Pipe From the People's Republic of China: Notice of Amended Preliminary Countervailing Duty Determination**

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

**SUMMARY:** On July 10, 2008, the Department of Commerce (the Department) published in the **Federal Register** the notice of preliminary affirmative countervailing duty determination in the investigation of circular welded austenitic stainless pressure pipe (CWASPP) from the People's Republic of China (the PRC). We are amending our preliminary determination to correct ministerial errors discovered with respect to the countervailing duty rate calculated for Winner Stainless Steel Tube Co., Ltd. (Winner), Winner Machinery Enterprise Company Ltd. (Winner HK), and Winner Steel Products (Guangzhou) Co., Ltd. (WSP) (collectively the Winner Companies). This correction also affects the countervailing duty rate applied to Froch Enterprises Co. Ltd. (Froch) (also known as Zhangyuan Metal Industry Co. Ltd.) as well as the rate applied to all other companies not individually investigated.

**DATES:** *Effective Date:* See discussion below.

**FOR FURTHER INFORMATION CONTACT:** Robert Copyak, or Eric B. Greynolds, AD/CVD Operations, Office 3, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-2209 and (202) 482-6071, respectively.

#### **SUPPLEMENTARY INFORMATION:**

#### **Background**

On July 10, 2008, we published in the **Federal Register** the preliminary determination that countervailable subsidies are being provided to producers and exporters of CWASPP from the PRC, as provided under section 703 of the Tariff Act of 1930, as amended (the Act). *See Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 73 FR 39657 (July 10, 2008) (*Preliminary Determination*). On July 15, 2008, the Winner Companies filed timely allegations of significant ministerial errors contained in the Department's *Preliminary Determination*. After reviewing the allegations, we have determined that the *Preliminary Determination* included significant ministerial errors as described under 19 CFR 351.224(g). Therefore, in accordance with 19 CFR 351.224(e), we have made changes, as described below, to the *Preliminary Determination*.

#### **Scope of the Investigation**

The merchandise covered by this investigation is circular welded austenitic stainless pressure pipe not greater than 14 inches in outside diameter. This merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications. ASTM A-358 products are only included when they are produced to meet ASTM A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications.

Excluded from the scope are: (1) Welded stainless mechanical tubing, meeting ASTM A-554 or comparable domestic or foreign specifications; (2) boiler, heat exchanger, superheater, refining furnace, feedwater heater, and condenser tubing, meeting ASTM A-249, ASTM A-688 or comparable domestic or foreign specifications; and (3) specialized tubing, meeting ASTM A-269, ASTM A-270 or comparable domestic or foreign specifications.

The subject imports are normally classified in subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085 of the Harmonized Tariff Schedule of the United States (HTSUS). They may also enter under HTSUS subheadings 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044,

7306.40.5080, and 7306.40.5090. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope is dispositive.

#### **Analysis of Alleged Significant Ministerial Errors**

A ministerial error is defined in 19 CFR 351.224(f) as "an error in addition, subtraction, or other arithmetic function, clerical error resulting from inaccurate copying, duplication, or the like, and any other similar type of unintentional error which the Secretary considers ministerial." With respect to preliminary determinations, 19 CFR 351.224(e) provides that the Department "will analyze any comments received and, if appropriate, correct any significant ministerial error by amending the preliminary determination \* \* \*". A significant ministerial error is defined as an error, the correction of which, singly or in combination with other errors, would result in: (1) A change of least five absolute percentage points in, but not less than 25 percent of the countervailable subsidy rate calculated in the original (erroneous) preliminary determination; or (2) a difference between a countervailable subsidy rate of zero (or *de minimis*) and a countervailable subsidy rate of greater than *de minimis* or vice versa. *See* 19 CFR 351.224(g). We have determined that the *Preliminary Determination* contained "significant" ministerial errors with respect to the Winner Companies and that these ministerial errors, in turn, affected the countervailing duty rate applied to Froch as well as the rate applied to all other companies not individually investigated.<sup>1</sup> As a result, the Department is publishing this amendment to its preliminary determination pursuant to 19 CFR 351.224(e).

#### **Amended Preliminary Determination**

Because the combined errors alleged by the Winner Companies regarding the countervailable subsidy rate calculation for the Winner Companies were significant, we have amended the preliminary countervailing duty rate calculations for the Winner Companies. We have also amended the preliminary countervailing duty rate calculations for Froch as well as the rate applied to all other companies not individually investigated. *See* Memorandum to

<sup>1</sup> We are adjusting the countervailing duty rate applied to Froch because the corrected rate for Winner is an integral component of the rate for Froch.