

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 and EP 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 export transaction. 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 and EP 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. and HM expenses and adjustments in both U.S. dollars and 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 December 27, 2004, through June 30, 2006:

Manufacturer / Exporter	Weighted Average Margin (percentage)
CP Kelco	5.70%

The Department will disclose calculations performed within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). An interested party may request a hearing within thirty days of publication. See 19 CFR 351.310(c). 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 19 CFR 351.310(d).

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 19 CFR 351.212(b), 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 19 CFR 351.212(b)(1), 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 if these preliminary results are adopted in the final results of review. 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 appraisement instructions directly to CBP within fifteen days of publication of the final results of review.

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 OY and Noviant OY 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 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 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 27, 2007.
David M. Spooner,
Assistant Secretary for Import Administration.
[FR Doc. E7-15343 Filed 8-6-07; 8:45 am]
BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration
A-337-806

Notice of Preliminary Results of Antidumping Duty Administrative Review, Notice of Partial Rescission of Antidumping Duty Administrative Review, Notice of Intent to Revoke in Part: Certain Individually Quick Frozen Red Raspberries from Chile

AGENCY: Import Administration, International Trade Administration, Department of Commerce.
SUMMARY: The Department of Commerce is conducting an administrative review

of the antidumping duty order on certain individually quick frozen (IQF) red raspberries from Chile. The period of review (POR) is July 1, 2005, through June 30, 2006. This review covers sales of IQF red raspberries by six producers/exporters. We preliminarily find that, during the POR, sales of IQF red raspberries were made below normal value. Also, we intend to revoke the antidumping duty order with respect to Fruticola Olmue S.A. (Olmue) and Vital Berry Marketing S.A. (VBM). Interested parties are invited to comment on these preliminary results. We will issue the final results not later than 120 days from the date of publication of this notice.

EFFECTIVE DATE: August 7, 2007.

FOR FURTHER INFORMATION CONTACT:

Salim Bhabhrawala (VBM), David Layton (Valles Andinos), Yasmin Nair (Arlavan, Vitafoods), David Neubacher (Valle Frio), Shane Subler (Olmue), or Nancy Decker, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-1784, (202) 482-0371, (202) 482-3813, (202) 482-5823, (202) 482-0189, or (202) 482-0196, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 9, 2002, the Department of Commerce (Department) published an antidumping duty order on certain IQF red raspberries from Chile. *See Notice of Antidumping Duty Order: IQF Red Raspberries From Chile*, 67 FR 45460 (July 9, 2002). On July 3, 2006, the Department published a notice of opportunity to request administrative review of this order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 37890 (July 3, 2006).

On July 31, 2006, we received a request for review of 60 companies from the Pacific Northwest Berry Association, Lynden, Washington, and each of its individual members, Curt Maberry Farm; Enfield Farms, Inc.; Maberry Packing; and Rader Farms, Inc. (collectively, the petitioners). We also received requests for review from Arlavan S.A. (Arlavan), Alimentos Naturales Vitafoods S.A. (Vitafoods), Olmue, Sociedad Agroindustrial Valle Frio Ltda. (Valle Frio)¹, Valles Andinos

S.A. (Valles Andinos), and VBM,² on July 31, 2006. Santiago Comercio Exterior S.A. ("SANCO") requested a deferral of administrative review on July 31, 2006.

On August 30, 2006, we initiated an administrative review of all 60 companies. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 71 FR 51573 (Aug. 30, 2006). On December 4, 2006, we published a correction to the initiation notice to reflect SANCO S.A.'s request for deferral of administrative review. *See Certain Individually Quick Frozen Red Raspberries from Chile: Correction to Notice of Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 71 FR 70363 (Dec. 4, 2006).

On November 28, 2006, the petitioners withdrew their review request for 53 of the 60 companies for which they had originally requested an administrative review. In accordance with 19 CFR 351.213(d)(1), on December 12, 2006, we partially rescinded this administrative review with respect to these 53 companies. *See Individually Quick Frozen Red Raspberries from Chile: Notice of Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 74487 (Dec. 12, 2006). Thus, the six companies in this review are: Arlavan, Vitafoods, Olmue, Valle Frio, Valles Andinos, and VBM (collectively, the respondents).

On November 29, 2006, the Department issued antidumping questionnaires to the respondents. The respondents submitted their initial responses to the antidumping questionnaire from December 2006 through February 2007. After analyzing these responses, we issued supplemental questionnaires to the respondents to clarify or correct the initial questionnaire responses. We received timely responses to these questionnaires.

On March 21, 2007, we requested that Valle Frio and Vitafoods respond to the constructed value (CV) portion of the Department's questionnaire. On April 12, 2007, and April 16, 2007, we requested that Arlavan and certain

suppliers of Arlavan and Valles Andinos respond to the CV portion of the Department's questionnaire. We received timely responses to these requests for CV information from all but one supplier, Sociedad Comercial Antillal Ltda. (Antillal). For further discussion, *see* "Calculation of Normal Value Based on Constructed Value" section of this notice.

On March 9, 2007, the Department published in the **Federal Register** an extension of the time limit for the completion of the preliminary results of this review until no later than July 31, 2007, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(h)(2). *See Certain Individually Quick Frozen Red Raspberries From Chile: Notice of Extension of Time Limit for 2005-2006 Administration Review*, 72 FR 10707 (Mar. 9, 2007).

Partial Rescission of Antidumping Duty Administrative Review

On February 12, 2007, we published the final results of the third administrative review, in which we revoked the antidumping duty order with respect to SANCO. *See Notice of Final Results of Antidumping Duty Administrative Review, and Final Determination to Revoke the Order In Part: Individually Quick Frozen Red Raspberries from Chile*, 72 FR 6524, 6525 (Feb. 12, 2007). Therefore, we are rescinding the deferred fourth administrative review with respect to SANCO.

Scope of the Order

The products covered by this order are imports of IQF whole or broken red raspberries from Chile, with or without the addition of sugar or syrup, regardless of variety, grade, size or horticulture method (e.g., organic or not), the size of the container in which packed, or the method of packing. The scope of the order excludes fresh red raspberries and block frozen red raspberries (i.e., puree, straight pack, juice stock, and juice concentrate).

The merchandise subject to this order is currently classifiable under subheading 0811.20.2020 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under the order is dispositive.

Verification

As provided in section 782(i) of the Act, during June 2007, we verified the information provided by VBM and Olmue in Chile using standard

¹ In the third administrative review, the Department collapsed Valle Frio with its affiliated producer, Agrícola Framparque (Framparque). *See Memorandum to Susan Kuhbach, Director, "Collapsing of Sociedad Agroindustrial Valle Frio Ltda.,"* dated July 31, 2006. *See Notice of*

Preliminary Results of Antidumping Duty Administrative Review, Notice of Intent to Revoke in Part: Certain Individually Quick Frozen Red Raspberries from Chile (unchanged in final) (*Third Administrative Review of Raspberries from Chile*), 71 FR 45000, 45001 (Aug. 8, 2006). There have been no change in the facts since then, so for the instant administrative review, we are treating Valle Frio and Framparque as a single entity.

² These six companies were also included in the petitioners' July 31, 2006 request for review of 60 companies.

verification procedures, including examination of relevant sales and financial records, and selection of original documentation containing relevant information. The Department reported its findings on July 31, 2007. See Memorandum to the File, “*Verification of the Sales and Raw Materials Purchases Responses of Vital Berry Marketing S.A. in the 2005–2006 Antidumping Duty Administrative Review of Individually Quick Frozen Red Raspberries from Chile*,” dated July 31, 2007 (Verification Report - VBM); and Memorandum to the File, “*Verification of the Sales and Raw Materials Purchases Responses of Fruticola Olmué S.A. in the 2005–2006 Antidumping Duty Administrative Review of Individually Quick Frozen Red Raspberries from Chile*,” dated July 31, 2007 (Verification Report - Olmue). These reports are on file in the Central Records Unit (CRU) in room B–099 of the main Department building.

Intent To Revoke In Part

The Department “may revoke, in whole or part” an antidumping order upon completion of a review under section 751 of the Act. While Congress has not specified the procedures that the Department must follow in revoking an order, the Department has developed a procedure for revocation based on an absence of dumping that is described in 19 CFR 351.222(b)(2). In determining whether to revoke an antidumping duty order in part, the Secretary will consider: (A) whether one or more exporters or producers covered by the order have sold the merchandise at not less than normal value (“NV”) for a period of at least three consecutive years; (B) whether, for any exporter or producer that the Secretary previously has determined to have sold the subject merchandise at less than NV, the exporter or producer agrees in writing to its immediate reinstatement in the order, as long as any exporter or producer is subject to the order, if the Secretary concludes that the exporter or producer, subsequent to the revocation, sold the subject merchandise at less than NV; and (C) whether the continued application of the antidumping duty order is otherwise necessary to offset dumping. See 19 CFR 351.222(b)(2)(i).

The Department’s regulations require, *inter alia*, that a company requesting revocation submit the following: (1) a certification that the company has sold the subject merchandise at not less than NV in the current review period and that the company will not sell at less than NV in the future; (2) a certification that the company sold the subject merchandise in commercial quantities

in each of the three years forming the basis of the receipt of such a request; and (3) an agreement that the order will be reinstated if the company is subsequently found to be selling the subject merchandise at less than fair value. See 19 CFR 351.222(e)(1)(i)–(iii).

On July 31, 2006, Olmue and VBM submitted certifications that for a consecutive three-year period, including the current review period, they sold the subject merchandise in commercial quantities at not less than NV. Olmue and VBM also certified that they would not sell the subject merchandise at less than fair value in the future, and agreed to immediate reinstatement in the antidumping duty order if they are subsequently found to be selling the subject merchandise at less than fair value. Therefore, because we have determined that these respondents satisfy the requirements of 19 CFR 351.222(b), we preliminarily determine to revoke the antidumping order with respect to Olmue and VBM. See Memorandum to Stephen J. Claeys, Deputy Assistant Secretary, “*Preliminary Determination to Revoke in Part the Antidumping Duty Order on Individually Quick Frozen Red Raspberries from Chile for Fruticola Olmué S.A. and Vital Berry Marketing S.A.*,” dated July 31, 2007. This memorandum is on file in room B–099 of the CRU.

Use of Facts Otherwise Available

Section 776(a)(2) of the Act provides that, if an interested party or any other person: (A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i) of the Act, the Department shall, subject to section 782(d) of the Act, use the facts otherwise available in reaching the applicable determination under this title. In applying facts otherwise available, section 776(b) of the Act provides that the Department may use an inference adverse to the interests of a party that has failed to cooperate by not acting to the best of its ability to comply with the Department’s requests for information. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55794–96 (Aug. 30, 2002).

Adverse inferences are appropriate “to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.” See Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Rep. No. 103–316, (1994) (SAA) at 870. Furthermore, affirmative evidence of bad faith on the part of a respondent is not required before the Department may make an adverse inference. See *Nippon Steel Corp. v. United States*, 337 F.3d 1373, 1383 (Fed. Cir. 2003); *Antidumping Countervailing Duties: Final Rule*, 62 FR 27296, 27340 (May 19, 1997).

In this case, we have found that facts otherwise available with an adverse inference is appropriate for Antillal, a supplier of Arlavan. Antillal is an interested party because it is a producer of the subject merchandise. See section 771(9)(A) and section 771(28) of the Act. Antillal did not respond to the Department’s questionnaire. Thus, Antillal withheld information necessary to the calculation of a dumping margin and failed to act to the best of its ability. See *Notice of Preliminary Results of Antidumping Duty Administrative Review; Notice of Intent to Revoke in Part: Individually Quick Frozen Red Raspberries from Chile*, 71 FR 45000, 45007 (Aug. 8, 2006) (unchanged in final); cf. *Shandong Huarong Mach. Co., Ltd. v. United States*, 435 F. Supp. 2d 1261, 1282 (CIT June 9, 2006) (“court agrees . . . that Company C, as a foreign manufacturer of subject merchandise, is an interested party under § 1677(9)(A)”). Consequently, we preliminarily determine that an adverse inference is appropriate for Antillal.

The Department did not receive constructed value information for Valles Andinos’s organic raspberry products. Because this information is necessary to the calculation of Valles Andinos’s constructed value, the Department must rely on facts otherwise available under section 776 of the Act. The Department preliminarily finds that this information is unavailable because the suppliers we requested constructed value information from did not supply Valles Andinos with organic raspberry products during the POR. Thus, the unavailability of this information is not the result of Valles Andinos’s lack of cooperation and adverse inferences under section 776(b) of the Act are inapplicable.

Fair Value Comparisons

To determine whether sales of IQF red raspberries from Chile to the United States were made at less than NV, we compared export price (EP) to NV, as

described in the "Export Price" and "Normal Value" sections of this notice.

In accordance with section 771(16) of the Act, we considered all products sold by the respondents in the comparison market covered by the description in the "Scope of the Order" section, above, to be foreign-like products for purposes of determining appropriate product comparisons to U.S. sales. In accordance with section 773(a)(1)(C)(ii) of the Act, 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, we compared each respondent's volume of home market sales of the foreign-like product to the volume of its U.S. sales of the subject merchandise. See the "Normal Value" section, below, for further details.

We compared U.S. sales to monthly weighted-average prices of contemporaneous sales made in the comparison market. Where there were no sales of identical merchandise in the comparison market made in the ordinary course of trade, 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 in the comparison market, we compared U.S. sales to CV. In making product comparisons, consistent with our determination in the original investigation, we matched foreign like products based on the physical characteristics reported by the respondent in the following order: grade, variety, form, cultivation method, and additives. See *Notice of Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination: IQF Red Raspberries from Chile*, 66 FR 67510, 67511 (Dec. 31, 2001).

Normally, the Department employs invoice date as the date of sale. See 19 CFR 351.401(i). However, if the Department determines that another date reflects the date on which the exporter or producer establishes the material terms of sale, the Department may use this date. *Id.* The respondents, excluding Vitafoods and Valles Andinos, ship the subject merchandise on or before the date of invoice. We are using the date of shipment (*i.e.*, *guia de despacho*/dispatch note date) as the date of sale for these respondents because this is the date on which the material terms of sale were established. See, *e.g.*, *Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea: Final Results of Antidumping Duty Administrative Reviews*, 63 FR 13170, 13172–73 (March 18, 1998). Vitafoods sells its

merchandise in the home market using only an invoice, not a *guia de despacho*. This invoice replaces, and is used for the same purpose as, the *guia de despacho*. Therefore, for Vitafoods, we are relying on invoice date as shipment date for home market sales. For U.S. sales, Vitafoods issues a *guia de despacho*, which we are relying upon for date of sale. See 19 CFR 351.401(i). Valles Andinos reported contract date as the date of sale for its comparison market and U.S. sales because it stated that this is the date the final terms of sale are set. There is no evidence that the terms of sale change after the contract date. Therefore, for Valles Andinos, we are using contract date as the date of sale.

(A) Vitafoods

We calculated EP because the merchandise was sold prior to importation by the exporter or producer outside the United States to an unaffiliated purchaser in the United States, and because the constructed export price methodology was not otherwise warranted. We based EP on the free-on-board (FOB), cost and freight (CFR), or cost, insurance, and freight (CIF) price to unaffiliated purchasers in the United States.

In accordance with Vitafoods's response, we adjusted the reported gross unit price, where applicable, for billing adjustments. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act. These deductions included, where appropriate, freight incurred in transporting merchandise to the Chilean port, domestic brokerage and handling, international freight, and marine insurance. See Memorandum to the File, "*Preliminary Results Calculation Memorandum for Alimentos Naturales Vitafoods S.A.*," dated July 31, 2007 (*Vitafoods Preliminary Calculation Memorandum*).

For its U.S. market sales, Vitafoods reported the bill of lading date as the shipment date. We have revised the shipment date to match the issuance date of the *guia de despacho*, because that is when the merchandise under review was shipped from the plant or warehouse to the Chilean port. We also recalculated U.S. imputed credit expenses using the revised date of shipment. For further discussion, see *Vitafoods Preliminary Calculation Memorandum*.

In accordance with Vitafoods's supplemental questionnaire response, we adjusted the product control number for certain whole and broken and crumble products to reflect their Grade D product classifications. For further

discussion, see *Vitafoods Preliminary Calculation Memorandum*.

(B) Arlavan

We calculated EP because the merchandise was sold prior to importation by the exporter or producer outside the United States to an unaffiliated purchaser in the United States, and because constructed export price methodology was not otherwise warranted. We based EP on the packed, free on truck (FOT), FOB, or CFR price to unaffiliated purchasers in the United States.

We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These deductions included, where appropriate, freight incurred in transporting merchandise to the warehouse and/or to the port, domestic warehousing, domestic brokerage and handling, international freight, and port charges.

For its U.S. market sales, Arlavan reported the bill of lading date as the shipment date. We have revised the shipment date to match the issuance date of the *guia de despacho*, because that is when the merchandise under review was shipped from the plant or warehouse to the Chilean port. We also recalculated U.S. imputed credit expenses using the revised date of shipment. For further discussion, see Memorandum to the File, "*Preliminary Results Calculation Memorandum for Arlavan S.A.*," dated July 31, 2007 (*Arlavan Preliminary Calculation Memorandum*), which is on file in the CRU.

(C) Olmue

We calculated EP because the merchandise was sold prior to importation by the exporter or producer outside the United States to an unaffiliated purchaser in the United States, and because constructed export price methodology was not otherwise warranted. We based EP on the packed, CFR price to unaffiliated purchasers in the United States.

In accordance with Olmue's response, we adjusted the reported gross unit price, where applicable, for billing adjustments. We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These included, where appropriate, inland freight to the warehouse in Chile, warehousing in Chile, inland freight to the Chilean port, domestic brokerage and handling, and international freight.

We made minor adjustments to the following fields in Olmue's U.S. sales listing: movement expenses, date of

shipment, indirect selling expenses, variable cost of manufacturing, and total cost of manufacturing; based on our findings at verification that the amounts for certain sales were misreported. Because of our findings with respect to the variable cost of manufacturing and total cost of manufacturing fields in Olmue's sales data, we also made minor adjustments to the variable overhead cost, fixed overhead cost, direct labor cost, and general and administrative (G&A) expense fields of Olmue's reported cost of production data. *See Olmue Preliminary Calculation Memorandum; see also Verification Report - Olmue.*

(D) Valle Frio

We calculated EP because the merchandise was sold prior to importation by the exporter or producer outside the United States to an unaffiliated purchaser in the United States, and because constructed export price methodology was not otherwise warranted. We based EP on the packed, FOB price to unaffiliated purchasers in the United States.

We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These included, where appropriate, inland freight incurred in transporting merchandise to the Chilean port and domestic brokerage and handling expenses.

(E) Valles Andinos

We calculated EP because the merchandise was sold prior to importation by the exporter or producer outside the United States to an unaffiliated purchaser in the United States, and because constructed export price methodology was not otherwise warranted. We based EP on the packed, FOB or CFR price to unaffiliated purchasers in the United States.

We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These included freight incurred in transporting merchandise from the plant to the Chilean port and domestic brokerage and handling.

We calculated imputed credit expenses for all sales based on Valles Andinos's actual borrowing experience, the date the customer paid, the shipment date based on the *guía de despacho*, and the reported gross unit price. For further discussion, *see Memorandum to the File, "Preliminary Results Calculation Memorandum for Valles Andinos, S.A.,"* dated July 31, 2007, ("*Valles Andinos Preliminary Calculation Memorandum*"), which is on file in the CRU. We revised Valles

Andinos's indirect selling expenses to exclude income taxes paid, in accordance with the Department's normal practice. *See Valles Andinos Preliminary Calculation Memorandum.*

(F) VBM

We calculated EP because the merchandise was sold prior to importation by the exporter or producer outside the United States to an unaffiliated purchaser in the United States, and because constructed export price methodology was not otherwise warranted. We based EP on the duty delivered paid (DDP) prices to unaffiliated purchasers in the United States.

We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These deductions included, where appropriate, domestic inland freight, domestic brokerage and handling, certain pre-sale warehousing expenses, international freight, and U.S. customs duties. We adjusted the reported gross unit price, where applicable, for certain billing adjustments.

We also made minor adjustments to the following fields in VBM's U.S. sales listing: movement expenses, inventory carrying cost, variable cost of manufacturing, and total cost of manufacturing; based on our findings at verification that the amounts for certain sales were misreported. *See VBM Preliminary Calculation Memorandum; see also Verification Report - VBM.*

Normal Value

A. Home Market Viability

Section 773(a)(1) of the Act directs that NV be based on the price at which the foreign like product is sold in the home market, provided that the merchandise is sold in sufficient quantities (or value, if quantity is inappropriate) and that there is no particular market situation that prevents a proper comparison with the EP. Quantities (or value) will normally be considered insufficient if they are less than five percent of the aggregate quantity (or value) of sales of the subject merchandise to the United States. *See* 19 CFR 351.404(b)(2).

Arlavan, Olmue, Valle Frio, and Valles Andinos reported that their home market sales of IQF red raspberries during the POR were less than five percent of their sales of IQF red raspberries to the United States. Therefore, these four respondents did not have viable home markets for purposes of calculating NV. As their largest third country markets, Arlavan

and Valles Andinos reported Canada, and Olmue and Valle Frio reported France. In all instances, sales to the third countries exceed five percent of sales to the United States. We reviewed these largest third country markets that were reported by the respondents, and found that the merchandise sold in these markets was more comparable to that sold in the United States than merchandise sold by the respondents in smaller third country markets. Accordingly, for purposes of calculating NV, Arlavan and Valles Andinos reported their sales to Canada; Olmue and Valle Frio reported their sales to France.

VBM and Vitafoods reported that their home market sales of IQF red raspberries during the POR were more than five percent of their sales of IQF red raspberries to the United States. Therefore, VBM's and Vitafoods's home markets were viable for purposes of calculating NV. Accordingly, VBM and Vitafoods reported their home market sales.

To derive NV for all respondents, we made the adjustments detailed in the "Calculation of Normal Value Based on Comparison Market Prices" and "Calculation of Normal Value Based on Constructed Value" sections, below.

B. Cost of Production Analysis

In the most recently completed segment of the proceeding at the time of initiation (*i.e.*, the second administrative review), the Department found that Olmue made sales in the comparison market at prices below the cost of producing the merchandise and excluded such sales from the calculation of NV. Therefore, the Department has determined that there are reasonable grounds to believe or suspect that Olmue made IQF red raspberry sales in the comparison market (*i.e.*, France) at prices below the cost of production (COP) during the period of review and has initiated a COP inquiry for this respondent. *See* section 773(b)(2)(A)(ii) of the Act.

1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for G&A expenses, financial expenses (INTEX), and comparison market packing costs, where appropriate.

2. Individual Adjustments for Olmue

We relied on the COP data submitted by Olmue in its cost questionnaire responses except in specific instances where, based on our review of the

submissions, we believe that an adjustment is required, as discussed below.

We adjusted the cost of the raw materials purchased by Olmue from an affiliated supplier to reflect the higher of transfer price, the affiliated supplier's COP, or market price in accordance with section 773(f)(3) of the Act. *See* 19 CFR 351.407(b). We also disallowed the reported financial revenue offsets to Olmue's financial expenses because, despite repeated requests to Olmue for clarification, we were not able to distinguish the company's financial revenues related to short-term interest bearing assets from the financial revenues earned on long-term interest assets. For further discussion, *see* Memorandum to the File, "*Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results - Fruticola Olmue S.A.*," dated July 31, 2007, which is on file in the CRU.

Also, as discussed in the "Calculation of Normal Value Based on Comparison Market Prices" and "Export Price" sections, we made minor adjustments to the variable overhead cost, fixed overhead cost, direct labor cost, and G&A expense fields in Olmue's COP listing based on our findings at verification that the amounts were misreported. *See Olmue Preliminary Calculation Memorandum; see also Verification Report - Olmue.*

3. Test of Comparison Market Sales Prices

We compared the adjusted weighted-average COP for Olmue to its comparison market sales of the foreign like product, as required under section 773(b) of the Act, to determine whether these sales were made at prices below the COP 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. *See also* sections 773(b)(1)(A) and 773(b)(1)(B) of the Act. On a model-specific basis, we compared the revised COP to the comparison market prices. The prices were exclusive of any applicable billing adjustments, movement expenses, direct selling expenses, commissions, indirect selling expenses, and packing expenses.

4. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product are at prices less than the COP, we do not disregard any below-cost sales of that product because we determine that the

below-cost sales were not made in substantial quantities.

Where 20 percent or more of a respondent's sales of a given product during the POR are at prices less than the COP, we determine such sales to have been made in substantial quantities within an extended period of time in accordance with section 773(b)(2)(B) of the Act. Because we compare prices to the POR average COP, we also determine that such sales are not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, we disregard these below-cost sales.

For Olmue, we found that more than 20 percent of the comparison market sales of IQF red raspberries within an extended period of time were made at prices less than the COP. Further, the prices at which the merchandise under review was sold did not provide for the recovery of costs within a reasonable period of time. Therefore, we disregarded these below-cost sales and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act. For those U.S. sales of IQF red raspberries for which there were no useable comparison market sales in the ordinary course of trade, we compared EPs to the CV in accordance with section 773(a)(4) of the Act. *See* "Calculation of Normal Value Based on Constructed Value" section, below.

C. Calculation of Normal Value Based on Comparison Market Prices

We determined price-based NVs for each company as follows:

For all respondents, we made adjustments for differences in packing in accordance with sections 773(a)(6)(A) and 773(a)(6)(B)(i) of the Act, and we deducted movement expenses consistent with section 773(a)(6)(B)(ii) of the Act. In addition, where applicable, we made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act, as well as for differences in circumstances of sale (COS) in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. We also made adjustments, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred on comparison market or U.S. sales where commissions were granted on sales in one market but not in the other (the commission offset). Specifically, where commissions were granted in the U.S. market but not in the comparison market, we made a downward

adjustment to NV for the lesser of: (1) the amount of the commission paid in the U.S. market; or (2) the amount of indirect selling expenses incurred in the comparison market. If commissions were granted in the comparison market but not in the U.S. market, we made an upward adjustment to NV following the same methodology. Company-specific adjustments are described below.

(A) Vitafoods

We based comparison market prices on the packed prices to unaffiliated purchasers in Chile. We adjusted the starting price by deducting quantity discounts and movement expenses, including inland freight expenses from the plant to the distribution warehouse, warehousing, and inland freight expenses from distribution warehouse to the customer. We made COS adjustments by deducting direct selling expenses incurred for home market sales (*i.e.*, credit expenses, direct selling expenses, commission expenses, and advertising expenses) and adding U.S. direct selling expenses (*i.e.*, credit expenses). We recalculated imputed credit expenses because the amounts reported for certain sales did not conform with the credit expense calculation methodology described by Vitafoods at page B-21 of its January 19, 2007, Sections B and C Questionnaire Response. *See Vitafoods Preliminary Calculation Memorandum.*

(B) Arlavan

We based comparison market prices on the packed prices to unaffiliated purchasers in Canada. We adjusted the starting price, where applicable, by deducting movement expenses, including inland freight to the warehouse, domestic warehousing, Chilean brokerage and customs fees, agriculture certificates, temperature control recorders during transit, port charges, and international freight. We made COS adjustments by deducting direct selling expenses incurred for comparison market sales (*e.g.*, external quality control/ biological testing, courier charges, and credit expenses) and adding U.S. direct selling expenses (*e.g.*, external quality control/ microbiological testing, courier charges, and credit expenses).

For its comparison market sales, Arlavan reported the bill of lading date as the shipment date. We have revised the shipment date to match the issuance date of the *guia de despacho*, because that is when the merchandise under review was shipped from the plant or warehouse to the Chilean port. Consequently, we recalculated comparison market imputed credit

expenses using the revised date of shipment. For further discussion, see *Arlavan Preliminary Calculation Memorandum*.

(C) *Olmue*

We based comparison market prices on the packed, CFR price to unaffiliated purchasers in France. In accordance with Olmue's response, we adjusted the reported gross unit price, where applicable, for billing adjustments. We adjusted the starting price by deducting movement expenses, including inland freight to the Chilean port, international freight, and brokerage and handling. We made COS adjustments by deducting direct selling expenses incurred for comparison market sales (*i.e.*, microbiological/pesticide testing, international storage expenses, bank expenses, commissions, credit expenses) and adding U.S. direct selling expenses (*i.e.*, microbiological/pesticide testing, international storage expenses, bank expenses, commissions, credit expenses). See *Olmue Preliminary Calculation Memorandum*.

We made minor adjustments to the following fields in Olmue's comparison market sales listing: date of shipment, date of sale, price adjustments, movement expenses, direct selling expenses, indirect selling expenses, variable cost of manufacturing, and total cost of manufacturing; based on our findings at verification that the amounts for certain sales were misreported. Because of our findings with respect to the variable cost of manufacturing and total cost of manufacturing fields in Olmue's sales data, we also made minor adjustments to the variable overhead cost, fixed overhead cost, direct labor cost, and G&A expense fields of Olmue's reported cost of production data. See *Olmue Preliminary Calculation Memorandum*; see also *Verification Report - Olmue*.

(D) *Valle Frio*

We based comparison market prices on the packed prices to unaffiliated purchasers in France or sold to an unaffiliated purchaser for exportation to France. We adjusted the starting price by deducting movement expenses, including, where appropriate, inland freight from the plant to the port, international freight, and container handling/brokerage charges. We made COS adjustments by deducting direct selling expenses incurred for comparison market sales (*e.g.*, credit expenses, commissions, microbiological/pesticide testing, label expenses) and adding U.S. direct selling expenses (*e.g.*, credit expenses, microbiological/pesticide testing, label

expenses). See Memorandum to the File, "*Preliminary Results Calculation Memorandum for Sociedad Agroindustrial Valle Frio Ltda.*," dated July 31, 2006 (*Valle Frio Preliminary Calculation Memorandum*), which is on file in the CRU.

(E) *Valles Andinos*

We based comparison market prices on the packed prices to unaffiliated purchasers in Canada. We adjusted the starting price by deducting movement expenses, including inland freight from the plant to the Chilean port, domestic brokerage and handling, and international freight. We made COS adjustments by deducting direct selling expenses incurred for comparison market sales (*e.g.*, credit expenses, bank fees, and courier fees) and adding U.S. direct selling expenses (*e.g.*, credit expenses, bank fees, and courier fees). See *Valles Andinos Preliminary Calculation Memorandum*.

In accordance with the Department's normal practice, we revised Valles Andinos's indirect selling expenses reported to exclude income taxes paid. We calculated imputed credit expenses for all sales based on Valles Andinos's actual borrowing experience, the date the customer paid, the shipment date based on the *guía de despacho*, and the reported gross unit price. See *Valles Andinos Preliminary Calculation Memorandum*.

(F) *VBM*

We based comparison market prices on the packed prices to unaffiliated purchasers in VBM's home market. We adjusted the starting price by deducting movement expenses, including inland freight to the warehouse and warehousing/storage expenses. We made COS adjustments by deducting direct selling expenses incurred for comparison market sales (*e.g.*, credit expenses) and adding U.S. direct selling expenses (*e.g.*, credit expenses, bank fees, postage and handling charges, and microbiological testing expenses). See *VBM Preliminary Calculation Memorandum*.

We also made minor adjustments to the following fields in VBM's home market sales listings: movement expenses, credit expenses, variable cost of manufacturing, and total cost of manufacturing; based on our findings at verification that the amounts for certain sales were misreported. See *VBM Preliminary Calculation Memorandum*; see also *Verification Report - VBM*.

D. Calculation of Normal Value Based on Constructed Value

Section 773(a)(4) of the Act provides that where NV cannot be based on comparison-market sales, NV may be based on CV. Accordingly, for IQF red raspberries for which we could not determine the NV based on comparison market sales, either because there were no useable sales of a comparable product or all sales of the comparable products failed the COP test, we based NV on the CV.

Section 773(e) of the Act provides that the CV shall be based on the sum of the cost of materials and fabrication for the imported merchandise, plus amounts for selling, general and administrative (SG&A) expenses, profit, and U.S. packing costs. For Olmue, we calculated the cost of materials and fabrication based on the methodology described in the "Cost of Production Analysis" section, above.

The Department determined that for certain merchandise sold in the United States, Valle Frio, Vitafoods, Arlavan, and Valles Andinos did not have comparison market sales. See Memorandum to the File, "*Difference-in-merchandise Calculation for Sociedad Agroindustrial Valle Frio Ltda.*" dated March 21, 2007; Memorandum to the File, "*Difference-in-merchandise Calculation for Alimentos Naturales Vitafoods S.A.*" dated March 21, 2007; and Memorandum from Yasmin Nair and Saliha Loucif, International Trade Compliance Analysts, to Susan Kuhbach, Director, Office 1, "*Requests for Constructed Value*" dated March 28, 2007.

Valles Andinos is a trading company. Therefore, in accordance with section 773(e) of the Act, we sent questionnaires to Valles Andinos's suppliers. Specifically, we sent questionnaires to Valles Andinos's two largest suppliers.

Arlavan produces and sells IQF red raspberries, and also acts as a trading company for other producers' IQF red raspberries. Because Arlavan's sales of its own product during the POR were not substantial, we also sent questionnaires to Arlavan's two largest suppliers. We received a complete questionnaire response from one supplier (Agricola San Antonio Limitada (San Antonio)); however, as explained below, we have not received complete, useable information from the other supplier, Antillal.

The Department sent the questionnaire to Antillal on April 16, 2007. On May 22, 2007, Antillal requested an extension of two weeks to respond to the questionnaire. The

Department granted this extension request in full. However, on June 6, 2007, the new deadline for submission of Antillal's information, the Department was notified by Arlavan that Antillal was not providing a response.

Because Antillal failed to provide the information required by the Department for these preliminary results, the Department has applied adverse facts available to calculate a CV for Antillal. See "Individual Company Adjustments" and "Use of Facts Otherwise Available" sections, below.

1. Individual Company Adjustments

With the exception of Antillal, as discussed above, we relied on the CV data submitted by the respondents except in specific instances where, based on our review of the submissions, we believe that an adjustment is required. These adjustments are discussed below.

Arlavan

As discussed *supra*, one of Arlavan's suppliers, Antillal, failed to respond to the Department's questionnaire, and for this supplier, the Department has applied adverse facts available. See section 776 of the Act. We calculated a weighted-average CV for Arlavan using: 1) the CV of Arlavan's one responding supplier (San Antonio) for purchases from San Antonio; 2) Arlavan's own reported CV, as adjusted; and 3) the weighted average of the two highest COPs or CVs of all respondents' reported COP/CV information as AFA for Antillal's CV. These three CV values were weighted by quantities that were purchased or produced by Arlavan during the POR. For further discussion, see *Arlavan Preliminary Calculation Memorandum*.

We revised Arlavan's reported per unit cost of manufacturing to take into consideration yield, dividing by output quantity rather than input quantity. We also adjusted Arlavan's reported G&A and INTEx expense calculations to exclude internal freight from the cost of goods sold denominator. For further discussion, see *Arlavan Preliminary Calculation Memorandum*.

Consistent with the Department's normal practice, we revised San Antonio's fixed overhead and INTEx ratio to include items that were improperly excluded by San Antonio. For further discussion, see *Arlavan Preliminary Calculation Memorandum*. We note that we continue to have outstanding cost reconciliation and valuation issues with San Antonio's and Arlavan's responses. For purposes of calculating these preliminary results, we

are accepting the data provided by San Antonio and Arlavan. However, we intend to ask for further information following publication of these preliminary results to determine whether the aforementioned responses accurately reflect San Antonio's and Arlavan's constructed values.

Valles Andinos

We calculated an average CV using the information provided by Valles Andinos's two suppliers, Pehuenche and Punsin. The average CV was weighted by quantities that were purchased by Valles Andinos from these two suppliers during the POR. For further discussion, see *Valles Andinos Preliminary Calculation Memorandum*.

Although we received responses to our requests for supplemental information concerning constructed value reported by Valles Andinos suppliers, Pehuenche and Punsin, we have outstanding cost reconciliation and valuation issues with both responses. For purposes of calculating these preliminary results, we are accepting the data provided by Pehuenche and Punsin. However, we intend to ask for further information following publication of these preliminary results to determine whether these aforementioned responses accurately reflect these suppliers' constructed values.

We revised Pehuenche's cost of manufacturing to include a raw material price adjustment. We also revised Pehuenche's G&A and INTEx expenses to include certain omitted expenses. See *Valles Andinos Preliminary Calculation Memorandum*.

As mentioned previously, we did not receive constructed value information for Valles Andinos's organic raspberry products. See discussion *supra*. Therefore, we are using as neutral facts available the average difference between organic and non-organic raspberry products, all other product characteristics being equal, reported by other respondents to this administrative review, and we are applying this difference to the reported costs of Valles Andinos's non-organic raspberry products to derive constructed value for the organic products. See *Valles Andinos Preliminary Calculation Memorandum*.

Vitafoods

In accordance with the Department's normal practice, we have made adjustments to G&A expenses and INTEx expenses reported by Vitafoods. We revised Vitafoods's reported G&A expense ratio to include profit on sale of fixed assets, expenses associated with

waste disposal, and fines paid. We revised Vitafoods's reported INTEx ratio to include net profit/loss in forward exchange operations. For further discussion, see *Vitafoods Preliminary Calculation Memorandum*.

We based SG&A expenses and profit for the above-mentioned respondents on the actual amounts incurred and realized by the respondents in connection with the production and sale of the foreign like product in the ordinary course of trade for consumption in the comparison market, in accordance with section 773(e)(2)(A) of the Act. We used U.S. packing costs as described in the "Export Price" section, above.

We made adjustments to CV for differences in COS in accordance with section 773(a)(8) of the Act and 19 CFR 351.410. For comparisons to EP, we made COS adjustments by deducting direct selling expenses incurred on comparison market sales from, and adding U.S. direct selling expenses to, CV.

E. Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade (LOT) as the EP sale. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). See 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *Id.*; see also *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (Nov. 19, 1997).

In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the "chain of distribution"),³ including selling functions,⁴ class of customer (customer

³ The marketing process in the United States and comparison market begins with the producer and extends to the sale to the final user or customer. The chain of distribution between the two may have many or few links, and the respondents' sales occur somewhere along this chain. In performing this evaluation, we considered each respondent's narrative response to properly determine where in the chain of distribution the sale occurs.

⁴ Selling functions associated with a particular chain of distribution help us to evaluate the level(s) of trade in a particular market. For purposes of these preliminary results, we have organized the common selling functions into four major categories: sales process and marketing support, freight and delivery, inventory and warehousing, and quality assurance/warranty services.

category), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying levels of trade for EP and comparison market sales (*i.e.*, NV based on either comparison market or third country prices)⁵, we consider the starting prices before any adjustments. When the Department is unable to match U.S. sales to sales of the foreign like product in the comparison market at the same LOT as the EP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing EP sales at a different LOT in the comparison market, where available data make it practicable, we make a LOT adjustment under section 773(a)(7)(A) of the Act.

In this review, we determined the following, with respect to the LOT, for each respondent.

(A) Vitafoods

Vitafoods reported a single LOT in each market, and claimed that the LOT in each of these markets was the same. Therefore, Vitafoods did not request an LOT adjustment.

We examined the information reported by Vitafoods regarding its marketing processes for its U.S. and home market sales, including customer categories and the type and level of selling activities performed. Vitafoods reported one channel of distribution for sales to the United States. In this channel of distribution, Vitafoods arranges to get the subject merchandise to the port for export. For these sales, Vitafoods's customer is the importer of record. Because Vitafoods has reported no significant variation in the selling activities for these sales, we preliminarily find that there is a single LOT for Vitafoods's U.S. sales.

Vitafoods has reported two channels of distribution for its home market sales. In the first channel of distribution (channel 1), merchandise is transported from the processing plant to the cold storage warehouse, and then delivered to the customer's facility. In the second channel of distribution (channel 2), merchandise is transported from the processing plant to the cold storage warehouse, and then transported to the distribution center where it is delivered to the customer. Because Vitafoods has not reported substantial differences in the selling activities for these two channels, we preliminarily find that there is a single LOT for Vitafoods's home market sales.

Comparing sales in Vitafoods's two markets, there is no indication that there were significantly different selling activities or sales process activities.

Vitafoods did make billing adjustments (*i.e.*, discounts) on home market sales, however, these discounts are granted to each category of customers and do not significantly increase the level of selling activities performed by Vitafoods. Although Vitafoods performed some limited advertising for its home market sales, it did not provide technical services or post-sale warehousing for either U.S. or home market sales.

Therefore, we preliminarily find that a single LOT exists in both the U.S. and home markets, and that Vitafoods's U.S. and home market sales were made at the same LOT.

(B) Arlavan

Arlavan reported a single LOT in each market, and claimed that the LOT in each of these markets was the same. Therefore, Arlavan did not request an LOT adjustment.

We examined the information reported by Arlavan regarding its marketing processes for its comparison market and U.S. sales, including customer categories and the type and level of selling activities performed. Arlavan has reported five channels of distribution for sales to the United States. In the first channel of distribution (channel 2), merchandise is shipped directly from the processing plant to the customer on a CFR (Chilean port) basis. In the second channel of distribution (channel 3), merchandise is shipped directly to the customer on an FOB (Chilean port) basis. In the third channel of distribution (channel 4), merchandise is shipped from the warehouse to the customer on an CFR (Chilean port) basis. In the fourth channel of distribution (channel 5), merchandise is picked up at the processing plant by a home market customer (FOT) and re-sold to the United States by that customer. In the fifth channel of distribution (channel 6), merchandise is picked up at the warehouse by a home market customer (FOT) and re-sold to the United States by that customer. For all sales to the United States, Arlavan's customer is the importer of record. For third-country sales, Arlavan sells in one channel of distribution (channel 4), where merchandise is shipped from the warehouse to the customer on a CFR (Chilean port) basis. For both markets, Arlavan sold to brokers.

Comparing sales in Arlavan's two markets, there is no indication that there were significantly different selling activities or sales process activities. We

examined the information reported by Arlavan regarding its marketing processes for its third country and U.S. sales, including customer categories and the type and level of selling activities performed. For sales to the third country and United States, Arlavan's selling activities were limited to receiving and processing orders, and, depending on the terms of sale, arranging for delivery to the third country. Arlavan offered no technical assistance, inventory maintenance services, or advertising in either market for IQF red raspberries, regardless of channel of distribution. Arlavan indicated that all export sales require that a microbiological analysis be conducted in order to ensure compliance with phytosanitary requirements. According to Arlavan, all selling activities were performed in Chile. Therefore, we preliminarily find that a single LOT exists in both the U.S. and third country markets, and that Arlavan's U.S. and third country sales were made at the same LOT.

(C) Olmue

Olmue reported a single channel of distribution and a single LOT in the third country and U.S. markets. Olmue claimed that its sales in both markets were at the same LOT. Therefore, Olmue did not request a LOT adjustment.

We examined the information reported by Olmue regarding its sales processes for its third country and U.S. sales, including customer categories and the type and level of selling activities performed. Olmue reported that it sold to similar categories of customers in France and the United States. In both markets, Olmue reported similar selling activities regardless of the customer category. Sales in both markets were direct shipments from the plant to the customer. Therefore, there were no differences in the channels of distribution between the two markets. Also, Olmue did not grant rebates or discounts, provide technical services or post-sale warehousing, or advertise on sales to the U.S. or third country markets. Therefore, we preliminarily find that a single LOT exists in both the U.S. and third country markets, and that Olmue's sales to the U.S. and third country markets were made at the same LOT.

(D) Valle Frio

Valle Frio reported two channels of distribution in the third country market and a single channel of distribution in the United States. Valle Frio indicated that its sales to the United States and third country markets were made at the same LOT and it did not request a LOT adjustment.

⁵ Where NV is based on CV, we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, G&A and profit for CV, where possible.

In the single channel of distribution for U.S. sales, merchandise is shipped directly to the customer on an FOB (Chilean port) basis. For third country sales in the first channel of distribution (channel 1), Valle Frio shipped the merchandise directly to the third country market. In the second channel of distribution (channel 2), merchandise is sold to a Chilean customer who re-sold the product to the third country. For both markets, Valle Frio sold to wholesalers and distributors.

Comparing sales in Valle Frio's two markets, there is no indication that there were significantly different selling activities or sales process activities. We examined the information reported by Valle Frio regarding its marketing processes for its third country and U.S. sales, including customer categories and the type and level of selling activities performed. For sales to the third country and United States, Valle Frio's selling activities were limited to receiving and processing orders, and, depending on the terms of sale, arranging for delivery to the third country. Valle Frio offered no technical assistance, inventory maintenance services, or advertising in either market for IQF red raspberries, regardless of channel of distribution. Valle Frio indicated that all export sales require that a microbiological analysis be conducted in order to ensure compliance with phytosanitary requirements. According to Valle Frio, all selling activities were performed in Chile. Therefore, we preliminarily find that a single LOT exists in both the U.S. and third country markets, and that Valle Frio's U.S. and third country sales were made at the same LOT.

(E) Valles Andinos

Valles Andinos indicated that its sales to the United States and third country markets were made at the same LOT and it did not request a LOT adjustment. Valles Andinos reported one channel of distribution in the comparison market. In this channel, sales are made directly to the customer. All sales are shipped from Valles Andinos's supplier's cold storage facilities in Chile to the port, and are delivered by sea freight to the comparison market customer. Accordingly, we preliminarily determine that comparison market sales are made at a single LOT.

In the U.S. market, Valles Andinos reported one channel of distribution. In this channel, sales are made directly to the customer. All sales are shipped from Valles Andinos's supplier's cold storage facilities in Chile to the port, and are delivered by sea freight to the U.S. customer. Accordingly, we preliminarily determine that the sales

are made at a single LOT in the United States.

Comparing sales in Valles Andinos's two markets, there is no indication that there were significantly different selling activities or sales process activities. Valles Andinos did not grant rebates or discounts, provide technical services or post-sale warehousing, or advertise on either U.S. or third country sales. Therefore, we preliminarily find that a single LOT exists in both the U.S. and comparison markets, and that Valles Andinos's sales in the U.S. and comparison market were made at the same LOT.

(F) VBM

VBM reported four distinct channels of distribution to the United States, and two channels of distribution in the home market. VBM claimed that the LOT in each of these markets was the same, and therefore, it did not request an LOT adjustment.

We examined the information reported by VBM regarding its marketing processes for its home market and U.S. sales, including customer categories and the types and levels of selling activities performed. For U.S. sales in the first channel of distribution (channel 1), merchandise is transported from the processing plant to the cold storage warehouse before being transported to the port of shipment. For U.S. sales in the second channel of distribution (channel 2), merchandise is transported directly from the processing plant to the port for shipment. For U.S. sales in the third channel of distribution (channel 3), merchandise is transported directly to the customer. For U.S. sales in the fourth channel of distribution (channel 4), merchandise is transported to the port, and picked up by the customer.

VBM reports that there are no pricing differences between these four channels of distribution. In all channels of distribution, VBM is responsible for arranging inland freight to the port in Chile. VBM is also the importer of record. VBM sells to the same types of customer in all four channels of distribution. Except for small differences regarding transportation of the product from the processing plant to the cold storage warehouse, and to the ultimate customer in the United States, there are no differences in the selling activities for these four channels of distribution. Therefore, we preliminarily find that there is a single LOT in the U.S. market.

VBM has also reported two channels of distribution for its home market sales. For home market sales in the first channel of distribution (channel 1),

merchandise is transported from the processing plant to the cold storage warehouse, and is picked up directly from the warehouse by the customer. For home market sales in the second channel of distribution (channel 2), merchandise is picked up by the customer at the processing plant. Because VBM has not reported substantial differences in the selling activities for these two channels, we preliminarily find that there is a single LOT in VBM's home market.

Comparing sales in VBM's two markets, there is no indication that there were significantly different selling activities or sales process activities. Therefore, we preliminarily find that a single LOT exists in both the U.S. and home markets, and that VBM's sales in the U.S. and home markets were made at the same LOT.

Currency Conversion

We made currency conversions in accordance with section 773A(a) of the Act based on the exchange rates in effect on the date of the U.S. sale as reported by the Federal Reserve Bank.

Preliminary Results of Review

We preliminarily find the following weighted-average dumping margins:

Exporter/manufacturer	Weighted-average margin percentage
Alimentos Naturales Vitafoods S.A.	3.19
Arlavan S.A.	0.19 (<i>de minimis</i>)
Fruticola Olmue S.A.	0.05 (<i>de minimis</i>)
Sociedad Agroindustrial Valle Frio Ltda./Agrícola Framparque Valles Andinos S.A.	0.00
Vital Berry Marketing, S.A.	1.14
	0.12 (<i>de minimis</i>)

Public Comment and Disclosure

Within 10 days of publicly announcing the preliminary results of this review, we will disclose to interested parties any calculations performed in connection with the preliminary results. See 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of publication of this notice. Any hearing, if requested, will be held 42 days after the publication of this notice, or the first workday thereafter. Issues raised in the hearing will be limited to those raised in the case and rebuttal briefs. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 5 days after the date for filing case briefs. Parties who submit case briefs or

rebuttal briefs in this proceeding are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument with an electronic version included; and (3) a table of statutes, regulations, and cases cited. *See* 19 CFR 351.309(c)(2).

The Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or hearing, within 120 days of publication of these preliminary results.

Assessment Rates

Upon completion of the administrative review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), for all sales made by respondents for which they have reported the importer of record and the entered value of the U.S. sales, we have calculated importer-specific assessment rates based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those sales. Where the respondents did not report the entered value for U.S. sales, we have calculated importer-specific assessment rates for the merchandise in question by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total quantity of those sales. To determine whether the duty assessment rates were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer-specific *ad valorem* rates based on the estimated entered value. Where the assessment rate is above *de minimis*, we will instruct CBP to assess duties on all entries of subject merchandise by that importer. Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (i.e., less than 0.50 percent). The Department will issue appraisement instructions directly to CBP.

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 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 unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in

the transaction. For a full discussion of this clarification, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Cash Deposit Requirements

On July 20, 2007, the Department published a **Federal Register** notice that, *inter alia*, revoked this order, effective July 9, 2007. *See IQF Red Raspberries from Chile: Final Results of Sunset Review and Revocation of Order*, 72 FR 39793 (July 20, 2007). Therefore, there will be no need to issue new cash deposit instructions pursuant to the final results of this administrative review.

Notification to Importers

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

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

Dated: July 31, 2007.

Stephen J. Claeys,

Acting Assistant Secretary for Import Administration.

[FR Doc. E7-15327 Filed 8-6-07; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-913]

Certain New Pneumatic Off-the-Road Tires From the People's Republic of China: Initiation of Countervailing Duty Investigation

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

EFFECTIVE DATES: August 7, 2007.

FOR FURTHER INFORMATION CONTACT: Mark Hoadley or Toni Page, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3148 and (202) 482-1398, respectively.

Initiation of Investigation

The Petition

On June 18, 2007, the Department of Commerce (the Department) received a petition filed in proper form by Titan Tire Corporation and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy Allied Industrial and Service Workers International Union, ALF-CIO-CLC (petitioners). On June 22, 2007 and July 3, 2007, the Department issued requests for additional information and clarification of certain areas of the petition involving general issues concerning the countervailing duty (CVD) allegations. Based on the Department's requests, the petitioners filed additional information concerning the petition on June 27, 2007 and July 5, 2007.

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), petitioners allege that manufacturers, producers, or exporters of certain new pneumatic off-the-road tires (OTR tires) in the People's Republic of China (the PRC) received countervailable subsidies within the meaning of section 701 of the Act and that such imports are materially injuring an industry in the United States.

The Department finds that petitioners filed this petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (D) of the Act and petitioners have demonstrated sufficient industry support with respect to the countervailing duty investigation that they are requesting the Department to initiate (*see, infra*, "Determination of Industry Support for the Petition").

Scope of Investigation

The merchandise covered by this investigation is certain new pneumatic off-the-road tires from the PRC. *See* Attachment to this notice for a complete description of the merchandise covered by this investigation.

Comments on Scope of Investigation

During our review of the petition, we discussed the scope with petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties: Countervailing Duties: Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments within 20 calendar days of the publication of this notice. Comments should be addressed to