

August 26, 2004.

**James J. Jochum,**  
*Assistant Secretary for Import Administration.*

### Appendix—Issues in Decision Memorandum

#### Part I—MMZ

Comment 1: Whether the Department Should Deny MMZ's Duty Drawback Claim Because MMZ Did Not Use Imported Inputs to Produce Finished Merchandise Sold in the Home Market.

Comment 2: Whether the Department Should Add Duty Drawback to MMZ's Cost of Production and Constructed Value.

Comment 3: Whether the Department Should Classify Certain Bank Commissions and Letter of Credit Fees as Direct Selling Expenses Instead of Indirect Selling Expenses.

Comment 4: Whether the Department Should Classify Sales Made Through the U.S. Commissioned Selling Agent as CEP Transactions.

Comment 5: Whether the Department Should Collapse MMZ and Company A for Purposes of Calculating MMZ's Coil Cost.

Comment 6: Whether the Department Should Find that the Transfer Price Between Company A and MMZ Was Above the Market Price.

Comment 7: Whether the Upward Adjustment for Imported Coil Purchased Through Company A to the Price Paid to Home Market Suppliers in Effect Double-Counts the Duty-Drawback Adjustment to Cost of Production and Constructed Value.

Comment 8: Whether the Department Should Exclude Foreign Exchange Losses Incurred on Payables from MMZ's Computed Financial Expense.

Comment 9: Whether the Department Should Adjust MMZ's Reported Costs to Correct for the Overstatement in MMZ's Raw Material Cost Discovered During Verification.

#### Part II—Ozborsan/Onur, Guven, and Ozdemir

Comment 10: Whether the Department Erred in its Decision to Collapse Ozborsan/Onur, Guven, and Ozdemir Into a Single Entity.

Comment 11: Whether the Department Erred in Finding that Ozborsan/Onur Metal Failed to Provide Requested Information to the Department and in its Application of Total Adverse Facts Available.

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**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-201-832]

### Light-Walled Rectangular Pipe and Tube From Mexico: Notice of Final Determination of Sales at Less Than Fair Value

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

**ACTION:** Notice of final determination of sales at less than fair value.

**EFFECTIVE DATE:** September 2, 2004.

**FOR FURTHER INFORMATION CONTACT:** Magd Zolak (LM) at (202) 482-4162; Richard Johns (Galvak/Hylsa) at (202) 482-2305, Crystal Crittenden (Regiomontana) at (202) 482-0989, and Maisha Cryor (Prolamsa) at (202) 482-5831; Office of AD/CVD Enforcement, Office IV, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

#### Final Determination

The Department of Commerce (the Department) has determined that light-walled rectangular pipe and tube (LWRPT) from Mexico is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The estimated margins of sales at LTFV are shown in the *Final Determination of Investigation* section of this notice.

#### Case History

On April 13, 2004, the Department published the preliminary determination of sales at LTFV in the antidumping duty investigation of LWRPT from Mexico. *See Light-Walled Rectangular Pipe and Tube from Mexico; Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 69 FR 19400 (April 13, 2004) (*Preliminary Determination*). Since the *Preliminary Determination*, the following events have occurred.

The Department received a timely supplemental questionnaire response from Perfiles y Herrajes LM, S.A. de CV (LM) on April 6, 2004, and Regiomontana de Perfiles Y Tubos, S.A. de C.V. (Regiomontana) on April 8, 2004. The Department received a post preliminary determination submission from Galvak, S.A. de C.V. and Hylsa, S.A. de C.V. (Galvak/Hylsa) on April 12,

Manufacturer/exporter	Weighted-average margin (percent)
Guven Boru Ve. Profil San. Ve. Ticaret Ltd. Sti/Ozborsan Boru Sanayi Ve. Ticaret and Onur Metal/Ozdemir Boru Profil Sanayi Ve. Ticaret Ltd. Sti .....	34.89
MMZ Onur Boru Profil Uretim Sanayi Ve. Ticaret A.S. ....	6.12
All Others .....	6.12

### International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury, or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing CBP officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

### Notification Regarding Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

2004. On April 14, 2004, Galvak/Hylsa submitted a ministerial error allegation regarding the Department's calculations in the *Preliminary Determination*. Because the alleged ministerial errors were not significant within the meaning of section 351.224(g)(1) of the Department's regulations, the Department did not issue an amended preliminary determination but has instead addressed the ministerial errors in the *Changes Since the Preliminary Determination* section of this notice. See Memorandum from Maisha Cryor, Senior International Trade Compliance Analyst, to Thomas F. Futtner, Acting Office Director, "Antidumping Duty Investigation of Light-Walled Rectangular Pipe and Tube from Mexico: Analysis of Ministerial Error Allegations," dated May 12, 2004. We conducted verification of the sales and cost questionnaire responses of the respondents LM, from April 19, 2004, through April 30, 2004; Galvak/Hylsa from April 19, 2004, through April 30, 2004; Regiomontana from April 26, 2004, through May 7, 2004; and Productos Laminados de Monterrey, S.A. de C.V. (Prolamsa) from May 3, 2004, through May 18, 2004. Regiomontana submitted revisions and data resulting from minor corrections made at verification on May 15, 2004. On July 26, 2004, the Department requested that Galvak/Hylsa submit new sales and cost databases and provided an itemized list of changes to be made to the data. Galvak/Hylsa complied with that request and submitted its post-verification databases on August 5, 2004. We gave interested parties an opportunity to comment on our *Preliminary Determination* and our findings at verification. On July 15, 2004, the petitioners<sup>1</sup>, LM, Galvak/Hylsa, Regiomontana, and Prolamsa submitted case briefs. On July 23, 2004, these parties submitted rebuttal briefs. On May 13, 2004, Galvak submitted a request for a public hearing, but subsequently withdrew its request on July 21, 2004; consequently, no public hearing was held.

#### Period of Investigation

The period of investigation (POI) is July 1, 2002, through June 30, 2003. See 19 CFR 351.204(b)(1).

#### Scope of Investigation

The merchandise covered by this investigation is LWRPT from Mexico,

which are welded carbon-quality pipe and tube of rectangular (including square) cross-section, having a wall thickness of less than 0.156 inch. These LWRPT have rectangular cross sections ranging from 0.375 x 0.625 inches to 2 x 6 inches, or square cross sections ranging from 0.375 to 4 inches, regardless of specification. LWRPT are currently classifiable under item number 7306.60.5000 of the Harmonized Tariff System of the United States (HTSUS). The HTSUS item number is provided for convenience and customs purposes only. The written product description of the scope is dispositive.

The term "carbon-quality" applies to products in which (i) iron predominates, by weight, over each of the other contained elements, (ii) the carbon content is 2 percent or less, by weight, and (iii) none of the elements listed below exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium (also called columbium), or 0.15 percent of vanadium, or 0.15 percent of zirconium.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this proceeding and to which we have responded are listed in the Appendix to this notice and addressed in the Memorandum from Jeffrey A. May, Deputy Assistant Secretary for Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, "Issues and Decision Memorandum," (*Decision Memorandum*) dated concurrently with this notice, which is hereby adopted by this notice. Parties can find a complete discussion of the issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B-099, of the main Department of Commerce building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the *Decision Memorandum* are identical in content.

#### Use of Partial Adverse Facts Available

With respect to Prolamsa, we have determined that the use of partial adverse facts available is warranted, in

accordance with sections 776(a)(2)(B) and 776(b) of the Act, to calculate the dumping margin because the respondent did not provide information critical to the calculation of a dumping margin and impeded the conduct of the administrative review by providing information that could not be substantiated. These inadequacies relate to Prolamsa's sales to affiliated resellers. Prolamsa stated that it would not provide the Department with its affiliated resellers downstream sales because sales to its affiliated reseller were made at arm's-length. The Department informed Prolamsa that, pursuant to section 351.403(d) of the Department's regulations, it would allow the exclusion of these sales from Prolamsa's reported data, as long as its statements concerning the arm's-length nature of these sales could be substantiated. However, there were sales made by Prolamsa to its affiliated resellers that failed the arm's-length test. Therefore, the Department determined that partial adverse facts available should be applied to the sales that failed the arm's-length test because Prolamsa failed to provide accurate information concerning its sales to affiliated resellers. To address this inadequacy, we selected the highest gross unit price of comparable merchandise sold to another customer that passed the arm's-length test.

We have considered the arguments raised by petitioners and Prolamsa regarding this issue of partial adverse facts available and have addressed them in the *Decision Memorandum* at Comment 3. Based on our analysis of the parties' comments, we have determined that partial adverse facts available is applicable in this instance.

#### Verification

As provided in section 782(i) of the Act, we verified the information submitted by the respondents for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondent.

#### Changes Since the Preliminary Determination

Based on our findings at verification and analysis of comments received, we have made certain adjustments to the margin calculations used in the *Preliminary Determination*. These adjustments are discussed in detail in the *Decision Memorandum* each respondent's respective calculation memoranda and are listed below:

<sup>1</sup> The petitioners in this investigation are California Steel and Tube, Hannibal Industries, Inc., Leavitt Tube Company, LLC, Maruichi American Corporation, Northwest Pipe Company, Searing Industries, Inc., Vest Inc., and Western Tube and Conduit Corporation (collectively, the petitioners).

1. LM: Based on the verification of LM's responses, we made a revision to the calculation of the U.S. inventory carrying costs to account for a correction relating to the number of days in inventory and correct the formula used to calculate inventory carrying costs by deducting certain discounts from the gross unit price.

2. LM: Based on verification findings, we revised the calculation of the U.S. brokerage and handling charges.

3. LM: We noted that LM inadvertently reported certain expenses as warehousing expenses incurred at the factory, although these expenses are properly categorized as indirect selling expenses. Accordingly, for purposes of the final determination, we set the reported expenses for that warehouse to zero.

4. LM: We deducted, when applicable, warehousing expenses, incurred by the remote warehouses after the merchandise left the factory, from home market prices. The adjustment for these warehousing expenses was inadvertently omitted from the Department's margin calculation in the preliminary determination.

5. LM: We recalculated indirect selling expenses to reflect a correction relating to the indirect selling expense ratio used to calculate these expenses.

6. LM: Since LM was unable during verification to sufficiently document its revisions of the reported charges for freight from its factory to certain of its warehouses, we disallowed any adjustment to home market prices for the freight charges relating to these warehouses.

7. LM: We revised the financial expense ratio calculation to correctly include the monetary correction under Mexican GAAP Bulletin B-10, thus lowering the financial expense ratio.

8. LM: We adjusted the G&A expense ratio calculation for the effect of double counting of indirect selling expenses. This adjustment had the effect of lowering G&A ratio.

9. LM: We adjusted total cost of manufacturing to include the effects of yield loss.

10. Prolamsa: We applied partial adverse facts available to certain sales from Prolamsa to affiliated resellers that failed the arm's-length test, where information concerning downstream sales was not on the record of this investigation.

11. Prolamsa: We excluded inventory carrying costs from the calculation of constructed export price indirect selling expenses.

12. Prolamsa: For certain expenses, we converted the currency by dividing, rather than multiplying.

13. Prolamsa: We increased the reported total cost of manufacturing (TOTCOM) for the unreconciled difference between Prolamsa's cost accounting system and the extended TOTCOM reported to the Department. We also increase the reported TOTCOM to include an amount for the expenses related to the importation of raw material *i.e.*, freight, insurance, and handling charges.

14. Galvak/Hylsa: We corrected the error in the margin calculation program which incorrectly converted U.S. dollar amounts into Mexican pesos using the exchange rate on the date of the home-market sale. The program incorrectly multiplied the U.S. dollar amounts by the dollar-to-peso exchange rate instead of dividing them by the exchange rate. The program then converted the calculated peso amounts back into dollars using the weighted-average exchange rate based on the date of the U.S. sales.

15. Galvak/Hylsa: We corrected the error in the margin calculation program which failed to convert home-market sales prices that were denominated in U.S. dollars into Mexican pesos when determining whether those sales were made at below-cost prices. Instead, the preliminary program incorrectly compared the U.S. dollar prices to the Mexican peso costs.

16. Galvak/Hylsa: We recalculated home market credit expenses to exclude value added taxes.

17. Galvak/Hylsa: We corrected a calculation error for the galvanizing expense variance and applied it to each of the galvanized products.

18. Galvak/Hylsa: In addition to the changes we made to the financial expense ratio at the preliminary determination, we subtracted Galvak and Hylsa's packing expenses from the cost of goods sold denominator. We revised the ratio to include an offset in the numerator of the current portion of the gain on debt restructure from the parent company's 2002 financial statements.

19. Galvak/Hylsa: In addition to the changes we made to the general and administrative expense ratio at the preliminary determination, we subtracted Galvak's packing expenses from the cost of goods sold denominator.

20. Galvak/Hylsa: We revised the reported costs for the coils that were obtained from Hylsa to reflect the major input adjustment made to Hylsa's iron ore purchases.

21. Galvak/Hylsa: We revised the financial expense ratio by including the current portion of the gain on debt restructure as an offset to the numerator

and also subtracted Hylsa and Galvak's packing expenses from the denominator.

22. Galvak/Hylsa: We revised the general and administrative expense ratio by adding the income for the sale of land, the gain on restructuring bank liability, and bonus expense to and subtracting debt restructuring expenses and general and administrative expenses attributable to affiliates from the numerator as well as subtracting packing expenses from the denominator.

23. Galvak/Hylsa: We adjusted the per-unit total cost of manufacturing for certain control numbers to include costs that were mis-classified as costs related to products sold to third countries and not reported.

24. Galvak/Hylsa: We revised the reported cost of iron ore obtained from affiliated suppliers and adjusted reported direct material costs to reflect the higher of the transfer price, market price, or cost of production in accordance with the major input rule.

25. Regiomontana: We corrected the error in the comparison market calculation program which incorrectly compared theoretical quantities for home market sales with gross unit prices and adjustments based on actual quantities.

26. Regiomontana: We recalculated credit expense for sales in the U.S. and home market due to minor corrections made at verification.

27. Regiomontana: We included the cost of scrap from all production processes and included all corrections of errors found while preparing supporting documentation for the cost of scrap.

28. Regiomontana: For the interest expense, we included the monetary effect from Regiomontana's financial statements and deducted the year end adjustment for inflation from the cost of goods sold. We also added the depreciation from the revaluation of fixed assets to the cost of goods sold.

29. Regiomontana: We adjusted G&A expense to include the employee profit sharing expense and to exclude the year end adjustment for inflation from the cost of goods sold. We also added the depreciation from the revaluation of fixed assets to the cost of goods sold.

30. Regiomontana: We included the unreconcilable difference from the reconciliation of Regiomontana's cost of manufacture to the reported cost in the RECON field.

31. Regiomontana: We revised the per unit fabrication costs and per unit paint costs to reflect the first day corrections submitted by Regiomontana.

32. Regiomontana: We used the direct material cost from the COP/CV file

submitted with the minor corrections on the first day of corrections.

#### *Continuation of Suspension of Liquidation*

Pursuant to section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of LWRPT from Mexico that are entered, or withdrawn from warehouse, for consumption on or after April 13, 2004, the date of publication of the *Preliminary Determination in the Federal Register*. We will instruct CBP to continue to require a cash deposit or the posting of a bond for each entry equal to the weighted-average amount by which the normal value exceeds the export price or constructed export price, where appropriate, as indicated below. These instructions suspending liquidation will remain in effect until further notice.

#### *Final Determination of Investigation*

We have determined that the following weighted-average dumping margins exist for the period July 1, 2002, through June 30, 2003:

Manufacturer/exporter	Weighted-average margin (percent)
Galvak, S.A. de C.V. and Hylsa, S.A. de C.V. ....	17.46
Perfiles y Herrajes LM, S.A. de C.V. ....	14.45
Productos Laminados de Monterrey, S.A. de C.V. ....	6.08
Regiomontana de Perfiles y Tubos, S.A. de C.V. ....	6.36
All Others .....	11.23

#### *International Trade Commission Notification*

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury, or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing CBP officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse for

consumption, on or after the effective date of the suspension of liquidation.

#### *Notification Regarding Administrative Protective Order*

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: August 26, 2004.

**James J. Jochum,**

*Assistant Secretary for Import Administration.*

#### **Appendix—Issues in Decision Memorandum**

##### **I. SALES**

###### *General Issues*

Comment 1: Whether the Department Should Deny Certain Home Market Billing Adjustments, Rebates and Discounts Not Allocated on a Product-Specific or Sale-Specific Basis.

Comment 2: Whether the Department Properly Indicated Where Sales of Respondents Failed the Cost Test.

###### *Prolamsa*

Comment 3: Whether the Department Should Apply Partial Adverse Facts Available (AFA) for Home Market Sales to Affiliated Resellers that Failed the Arm's-Length Test.

Comment 4: Whether the Department Should Apply Partial AFA to Account for Unreported Sales Discovered at Verification.

Comment 5: Whether the Department Should Exclude Pre-Primered LWRPT from the Scope of Any Antidumping Duty Order Issued in this Investigation.

Comment 6: Whether the Department Should Make an Adjustment for Differences in Prolamsa's Coil Costs.

Comment 7: Whether the Department Should Correct Certain Clerical Errors in its Comparison Market and Margin Programs.

Comment 8: Whether the Department Should "Zero" Negative Dumping Margins.

###### *Galvak/Hylsa*

Comment 9: Whether Galvak and Hylsa's U.S. Sales Should Be Classified as Constructed Export Price Transactions Because Galvak and Hylsa Were the U.S. Importers of Record.

Comment 10: Whether Galvak and Hylsa's U.S. Sales Made Through an Affiliated U.S. Reseller Should Be Classified as Constructed Export Price Transactions.

Comment 11: Whether There Should be a Commission Offset.

Comment 12: Whether Movement Expenses and Value-Added Taxes Should be Excluded from the Calculation of Credit Expense.

Comment 13: Whether the ASTM Grade Should be Considered in the Department's Product Matching Criteria.

Comment 14: Whether the Department Should Revise its Preliminary Level-of-Trade Analysis.

Comment 15: Whether the Department Should Correct Minor Errors in its Preliminary Margin Calculation Program and in Data Submitted by Galvak/Hylsa.

###### *Regiomontana*

Comment 16: Whether to Calculate Normal Value and Export Price Based on an Actual or Theoretical-Weight Basis.

Comment 17: Whether the Department Correctly Calculated the Reconciliation of Regiomontana's Home Market Sales in Regiomontana's Sales Verification Report.

Comment 18: Whether the Department Should Classify Sales Made Through U.S. Commissioned Selling Agents as Constructed Export Price Transactions.

###### *LM*

Comment 19: Whether the Department Should Deny an Adjustment for Home Market Freight to the Customer for Sales from Warehouses.

Comment 20: Whether the Department Should Deduct Home Market Prices For Warehousing at the Monterrey Warehouse.

##### **II. COST OF PRODUCTION**

Comment 21: Whether the Department Should Adjust Depreciation.

Comment 22: Whether the Department Should Account for Total Foreign Exchange Gains and Losses in Interest Expense.

Comment 23: Whether the Department Should Make a Monetary Correction.

Comment 24: Whether the Department Should Use Period of Investigation. (POI) Data for Calculation of General and Administrative and Interest Expense Rates.

Comment 25: Whether the Department Should Accept a Layered General and Administrative Expense Calculation.

Comment 26: Whether a Reorganization Charge for Transfer of Administrative Activities to an Affiliate Should be Included as an Offset to General and Administrative Expenses.

Comment 27: Whether Labor Charges for Affiliates Should be Included in Hylsa's General and Administrative Expenses.

Comment 28: Whether Gain on Debt Restructuring Should be Included in Interest Expense.

Comment 29: Whether Bonus Compensation Should be Included in Calculating Hylsa's General and Administrative Expense Ratio.

Comment 30: Whether Certain Product Costs Were Mis-Classified.

Comment 31: Whether the Value of Iron Ore Should Reflect the Higher of Transfer Price or Production Costs.

Comment 32: Whether LM's Financial Expenses Are Overstated.

Comment 33: Whether General and Administrative Expenses Should be Reduced to Correct Double Counting.

Comment 34: Whether Overhead Expenses from Affiliates are Overstated.

Comment 35: Whether Yield Loss Should be Adjusted.

Comment 36: Whether Labor Costs Excluded Social Security Taxes.

Comment 37: Whether the Total Cost of Manufacturing Should be Adjusted for an Unreconciled Difference.

Comment 38: Whether Freight, Insurance, and Handling Charges Should be Included in Reported Costs.

Comment 39: Whether the Department Should Correct Minor Errors Relating to Total Cost of Manufacturing.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-122-838]

#### Initiation of Antidumping Duty Changed Circumstances Review: Certain Softwood Lumber Products From Canada

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

**EFFECTIVE DATE:** September 2, 2004.

**ACTION:** Notice of initiation of changed circumstances review.

**SUMMARY:** In accordance with 19 CFR 351.216(b) (2002), Abitibi-Consolidated Inc. (ACI), Abitibi Consolidated Company of Canada (ACCC), Produits Forestiers Petit Paris Inc. (PFPP), Societe en Commandite Scierie Opitciwan (Opitciwan) (collectively, the Abitibi Group) and Produits Forestiers Saguenay Inc. (PFS), Canadian producers of softwood lumber products and interested parties in this proceeding, filed a request for a changed circumstances review of the antidumping duty order on certain softwood lumber products from Canada, as described below. In response to this request, the Department of Commerce (the Department) is initiating a changed circumstances review of the antidumping duty order on certain softwood lumber from Canada.

**FOR FURTHER INFORMATION CONTACT:** Constance Handley or Saliha Loucif, at (202) 482-0631 or (202) 482-1779, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### Background

As a result of the antidumping duty order issued following the completion

of the less-than-fair-value investigation of certain softwood lumber products from Canada, imports of softwood lumber from the Abitibi Group became subject to a cash deposit rate of 12.44 percent (see *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Order: Certain Softwood Lumber Products from Canada* 67 FR 36068 (May 22, 2002)). On July 29, 2004, the Abitibi Group notified the Department that effective June 1, 2004, PFS, a previously inactive holding company owned by ACCC, began producing softwood lumber and exporting it to the United States. As a result, the Abitibi Group is requesting that PFS be subject to the Abitibi Group's cash deposit rate of 12.44 percent.

#### Scope of the Order

The products covered by this order are softwood lumber, flooring and siding (softwood lumber products). Softwood lumber products include all products classified under headings 4407.1000, 4409.1010, 4409.1090, and 4409.1020, respectively, of the Harmonized Tariff Schedule of the United States (HTSUS), and any softwood lumber, flooring and siding described below. These softwood lumber products include:

(1) Coniferous wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding six millimeters;

(2) coniferous wood siding (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, v-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed;

(3) other coniferous wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, v-jointed, beaded, molded, rounded or the like) along any of its edges or faces (other than wood moldings and wood dowel rods) whether or not planed, sanded or finger-jointed; and

(4) coniferous wood flooring (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, v-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive. Preliminary scope exclusions and clarifications were

published in three separate federal register notices.

Softwood lumber products excluded from the scope:

- trusses and truss kits, properly classified under HTSUS 4418.90,
- I-joist beams.
- assembled box spring frames.
- pallets and pallet kits, properly classified under HTSUS 4415.20
- garage doors.
- edge-glued wood, properly classified under HTSUS 4421.90.97.40 (formerly HTSUS 4421.90.98.40).
- properly classified complete door frames.
- properly classified complete window frames.
- properly classified furniture.

Softwood lumber products excluded from the scope only if they meet certain requirements:

- *Stringers (pallet components used for runners)*: if they have at least two notches on the side, positioned at equal distance from the center, to properly accommodate forklift blades, properly classified under HTSUS 4421.90.97.40 (formerly HTSUS 4421.90.98.40).

- *Box-spring frame kits*: if they contain the following wooden pieces—two side rails, two end (or top) rails and varying numbers of slats. The side rails and the end rails should be radius-cut at both ends. The kits should be individually packaged, they should contain the exact number of wooden components needed to make a particular box spring frame, with no further processing required. None of the components exceeds 1" in actual thickness or 83" in length.

- *Radius-cut box-spring-frame components*, not exceeding 1" in actual thickness or 83" in length, ready for assembly without further processing. The radius cuts must be present on both ends of the boards and must be substantial cuts so as to completely round one corner.

- *Fence pickets* requiring no further processing and properly classified under HTSUS 4421.90.70, 1 or less in actual thickness, up to 8" wide, 6' or less in length, and have finials or decorative cuttings that clearly identify them as fence pickets. In the case of dog-eared fence pickets, the corners of the boards should be cut off so as to remove pieces of wood in the shape of isosceles right angle triangles with sides measuring 3/4 inch or more.

- *U.S. origin lumber* shipped to Canada for minor processing and imported into the United States, is excluded from the scope of this order if the following conditions are met: (1) the processing occurring in Canada is limited to kiln-drying, planing to create