

decision of the CIT or the Federal Circuit which is not "in harmony" with the Department's final determination. Publication of this notice fulfills that obligation. The Federal Circuit also held that the Department must suspend liquidation of the subject merchandise until there is a "conclusive" decision in the case. Therefore, pursuant to *Timken*, the Department will continue to suspend liquidation pending the expiration of the period to appeal the CIT's August 9, 2001 decision or, if that decision is appealed, pending a final decision by the Federal Circuit. The Department will instruct Customs to liquidate Heveafil's and Filati's entries of subject merchandise during the POR, effective October 8, 2001, in the event that the CIT's ruling is not appealed.

Dated: August 31, 2001.

Bernard T. Carreau,

Acting Assistant Secretary for Import Administration.

[FR Doc. 01-22651 Filed 9-7-01; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-475-703]

Notice of Preliminary Results of Antidumping Duty Administrative Review: Granular Polytetrafluoroethylene Resin From Italy

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

SUMMARY: In response to requests by the respondent, Ausimont SpA and Ausimont USA (Ausimont), and the petitioner, E.I. DuPont de Nemours & Company (DuPont), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on granular polytetrafluoroethylene (PTFE) resin from Italy. The period of review (POR) is August 1, 1999, through July 31, 2000.

We preliminarily determine that sales have been made below normal value (NV). If these preliminary results are adopted in our final results, we will instruct the U.S. Customs Service to assess antidumping duties based on the difference between the United States price and NV.

EFFECTIVE DATE: September 10, 2001.

FOR FURTHER INFORMATION CONTACT:

Vicki Schepker or Gabriel Adler, at (202) 482-1756 or (202) 482-3813, respectively; AD/CVD Enforcement Office V, Group II, Import Administration, International Trade

Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to 19 CFR part 351 (2001).

Case History

On August 30, 1988, the Department published in the **Federal Register** the antidumping duty order on granular PTFE resin from Italy (53 FR 33163). On August 16, 2000, the Department issued a notice of opportunity to request the twelfth administrative review of this order, for the period August 1, 1999, through July 31, 2000. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 65 FR 49962 (August 16, 2000). Pursuant to this notice, on August 31, 2000, the petitioner and Ausimont requested that the Department conduct an administrative review. We published the notice of initiation of this antidumping duty administrative review on October 2, 2000. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 65 FR 58733 (October 2, 2000).

We issued an antidumping questionnaire to Ausimont on October 10, 2000, followed by supplemental questionnaires on February 12, May 2, and May 14, 2001. We received timely responses to these questionnaires.

We conducted a verification of sales and cost data submitted by Ausimont SpA at the company's corporate headquarters in Bollate, Italy, from July 11 through July 20, 2001. We verified data submitted by Ausimont USA at the company's Thorofare, New Jersey office on August 21 and 22, 2001. *See Memorandum from Verification Team to Gary Taverman* (Verification Report), dated August 31, 2001, on file in the Central Records Unit (CRU) located in Room B-099 of the main Department of Commerce building. We used standard verification procedures, including on-site inspection of the respondent producer's facilities and examination of relevant sales and financial records.

Scope of the Review

The product covered by this review is granular PTFE resin, filled or unfilled. This order also covers PTFE wet raw polymer exported from Italy to the United States. *See Final Affirmative Determination; Granular Polytetrafluoroethylene Resin from Italy*, 58 FR 26100 (April 30, 1993). This order excludes PTFE dispersions in water and fine powders. During the period covered by this review, such merchandise was classified under item number 3904.61.00 of the Harmonized Tariff Schedule of the United States (HTS). We are providing this HTS number for convenience and U.S. Customs purposes only. The written description of the scope remains dispositive.

Fair Value Comparisons

We compared the constructed export price (CEP) to the NV, as described in the *Constructed Export Price* and *Normal Value* sections of this notice. Pursuant to section 777A(d)(2) of the Act, we compared the CEPs of individual transactions to contemporaneous monthly weighted-average prices of sales of the foreign like product.

We first attempted to compare contemporaneous sales of products sold in the United States and the comparison market that were identical with respect to the following characteristics: type, filler, percentage of filler, and grade. Where we were unable to compare sales of identical merchandise, we compared U.S. sales with comparison market sales of the most similar merchandise.

Since there were appropriate comparison market sales for all U.S. sales, we did not need to compare U.S. sales to constructed value, in accordance with section 773(a)(4) of the Act.

Constructed Export Price

For all sales to the United States, we calculated CEP, as defined in section 772(b) of the Act, because all sales to unaffiliated parties were made after importation of the subject merchandise into the United States through the respondent's affiliate, Ausimont USA. We based CEP on the packed, delivered prices to unaffiliated purchasers in the United States, net of billing adjustments. We adjusted these prices for movement expenses, including international freight, marine insurance, brokerage and handling, U.S. inland freight, and U.S. customs duties, in accordance with section 772(c)(2)(A) of the Act.

In accordance with section 772(d)(1) of the Act, we deducted selling

expenses incurred by the affiliated seller in connection with economic activity in the United States. These expenses include credit, inventory carrying costs, and indirect expenses incurred by Ausimont USA.

With respect to sales involving imported wet raw polymer that was further manufactured into finished PTFE resin in the United States, we deducted the cost of such further manufacturing in accordance with section 772(d)(2) of the Act.¹

Finally, we made an adjustment for the profit allocated to the above-referenced selling and further manufacturing expenses, in accordance with section 772(d)(3) of the Act.

Normal Value

A. Selection of Comparison Markets

In order to determine whether there was a sufficient volume of sales of granular PTFE resin in the home market to serve as a viable basis for calculating NV, we compared Ausimont's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a) of the Act. Because the aggregate volume of home market sales of the foreign like product was greater than five percent of the respective aggregate volume of U.S. sales for the subject merchandise, we determined that the home market provided a viable basis for calculating NV. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the prices at which the foreign like product was first sold for consumption in the exporting country, in the usual commercial quantities and in the ordinary course of trade.

¹ We note that on November 20, 2000, Ausimont requested that the Department apply the "special rule" in accordance with section 772(e) of the Act. Under the special rule, where the value added to the merchandise by an affiliate is likely to exceed substantially the value of the subject merchandise, the administering authority determines the constructed export price using the price of identical or similar subject merchandise sold by the exporter or producer to an unaffiliated person, provided that the administering authority determines that the use of such sales is appropriate. On November 28, 2000, we rejected Ausimont's request, noting that, as in the previous review (where the same issue had been raised) the administrative burden of applying section 772(d)(2) of the Act in this case is relatively low, and the proportion of the respondent's further-manufactured sales relative to total sales is sufficiently high to raise concerns about the accuracy of the dumping margin that would result from application of the special rule. See Letter from the Department of Commerce to Ausimont, dated November 28, 2000, including Memorandum from Magd Zalok to Holly Kuga, Acting Deputy Assistant Secretary for Import Administration, dated December 9, 1999, on file in the CRU.

B. Cost of Production Analysis

Based on a timely allegation filed by the petitioners, we initiated a cost of production (COP) investigation of Ausimont, to determine whether sales were made at prices below the COP. See *Memorandum from David Layton and Magd Zalok to Gary Taverman, dated February 5, 2001*.

1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP, by model, based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for general and administrative expenses, interest expenses, selling expenses, and packing costs. Initially, Ausimont provided fiscal-year 1999 cost data for the foreign like product because fiscal-year (FY) 2000 audited data were not available when the initial questionnaire response was prepared. Once the FY 2000 data became available, we requested, and Ausimont submitted, COP data for the POR. See Letter from the Department of Commerce to Ausimont, dated June 11, 2001. We relied on the submitted COPs for the POR in our COP analysis.

2. Test of Home Market Sales Prices

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

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

3. Results of the COP Test

We disregarded below-cost sales where 20 percent or more of the respondent's sales of a given product were made at prices below the COP. We determined such sales were made within an extended period of time in substantial quantities in accordance with sections 773(b)(2)(B) and (C) of the Act and at prices which would not permit recovery of all costs within a reasonable time period, in accordance with section 773(b)(2)(D) of the Act.

C. Calculation of NV Based on Comparison-Market Prices

We determined home market prices net of price adjustments (*i.e.*, early payment discounts and rebates). Where applicable, we made adjustments for packing and movement expenses, in accordance with sections 773(a)(6)(A) and (B) of the Act. In order to adjust for differences in packing between the two markets, we deducted home market packing costs from NV and added U.S. packing costs. We increased the reported U.S. packing costs by an amount for packing labor, consistent with the findings of the sales verification conducted in this case. See Verification Report. We also made adjustments for differences in costs attributable to differences in physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act, and for other differences in the circumstances of sale (COS) in accordance with section 773(a)(6)(C)(iii) of the Act (*i.e.*, differences in credit expenses). Finally, we made a CEP-offset adjustment to the NV for indirect selling expenses pursuant to section 773(a)(7)(B) of the Act as discussed in the *Level of Trade/CEP Offset* section below.

Level of Trade/CEP Offset

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales at the same level of trade in the comparison market as the level of trade of the U.S. sales. The NV level of trade is that of the starting-price sales in the comparison market. For CEP sales, such as those made by Ausimont in this review, the U.S. level of trade is the level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different level of trade than that of the U.S. sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different level of trade and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the level of trade of the export transaction, we make a level-of-trade adjustment under section 773(a)(7)(A) of the Act. Finally, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under

section 773(a)(7)(B) of the Act (the CEP-offset provision). *See, e.g., Industrial Nitrocellulose From the United Kingdom; Notice of Final Results of Antidumping Duty Administrative Review*, 65 FR 6148, 6151 (February 8, 2000) (Industrial Nitrocellulose).

In implementing these principles in this review, we obtained information from Ausimont about the marketing involved in the reported U.S. sales and in the home market sales, including a description of the selling activities performed by Ausimont for each channel of distribution. In identifying levels of trade for CEP and for home market sales, we considered the selling functions reflected in the CEP, after the deduction of expenses and profit under section 772(d) of the Act, and those reflected in the home market starting price before making any adjustments. We expect that, if claimed levels of trade are the same, the functions and activities of the seller should be similar. Conversely, if a party claims that levels of trade are different for different groups of sales, the functions and activities of the seller should be dissimilar.

The record evidence in this review indicates that the home market and the CEP levels of trade have not changed from the 1998–99 review,² the most recently completed review in this case. As explained below, we determined in this review that, as in the prior review, there was one home market level of trade and one U.S. level of trade (*i.e.*, the CEP level of trade).

In the home market, Ausimont sold directly to fabricators. These sales primarily entailed selling activities such as technical assistance, engineering services, research and development, technical programs, and delivery services. Given this fact pattern, we found that all home market sales were made at a single level of trade. In determining the level of trade for the U.S. sales, we only considered the selling activities reflected in the price after making the appropriate adjustments under section 772(d) of the Act. *See, e.g., Industrial Nitrocellulose* at 6150. The CEP level of trade involves minimal selling functions such as invoicing and the occasional exchange of personnel between Ausimont SpA and its U.S. affiliate. Given this fact pattern, we found that all U.S. sales were made at a single level of trade.

Based on a comparison of the home market level of trade and this CEP level of trade, we find the home market sales to be at a different level of trade from, and more remote from the factory than, the CEP sales. Section 773(a)(7)(A) of the Act directs us to make an adjustment for difference in levels of trade where such differences affect price comparability. However, we were unable to quantify such price differences from information on the record. Because we have determined that the home-market level of trade is more remote from the factory than the CEP level of trade, and because the data necessary to calculate a level-of-trade adjustment are unavailable, we made a CEP-offset adjustment to NV pursuant to section 773(a)(7)(B) of the Act.

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A of the Act, based on exchange rates in effect on the date of the U.S. sale, as certified by the Federal Reserve Bank.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following weighted-average margin exists for the period August 1, 1999, through July 31, 2000:

Exporter/manufacture	Weighted-average margin percentage
Ausimont SpA	2.15

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties of this proceeding in accordance with 19 CFR 351.224(b). An interested party may request a hearing within 30 days of publication of these preliminary results. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 44 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 37 days after the date of publication. Parties who submit arguments 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. We encourage parties submitting written comments would provide the Department with an additional copy of

the public version of any such comments on diskette. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results.

Assessment

Pursuant to 19 CFR 351.212(b), the Department calculated an assessment rate applicable to all appropriate entries. We calculated an importer-specific duty assessment rate 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 for that importer. Upon issuance of the final results of review, where the assessment rate is above *de minimis*, we will instruct the U.S. Customs Service to assess duties on all entries of subject merchandise by that importer.

Cash Deposit Requirements

The following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of granular PTFE resin from Italy entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for Ausimont will be the rate established in the final results of administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in the original less than fair value (LTFV) investigation or a previous review, the cash deposit will continue to be the most recent rate published in the final determination or final results for which the manufacturer or exporter received a company-specific rate; (3) if the exporter is not a firm covered in this review, a previous review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review, the cash deposit rate will be 46.46 percent, the "all others" rate established in the LTFV investigation. *See* 53 FR 26090 (July 11, 1988).

These cash deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a preliminary reminder to importers of their responsibility to file a certificate

² *See Notice of Final Results of Antidumping Duty Administrative Review; Granular Polytetrafluoroethylene Resin From Italy*, 65 FR 54993 (September 12, 2000), and *Granular Polytetrafluoroethylene Resin from Italy; Preliminary Results of Antidumping Duty Administrative Review*, 65 FR 30064 (May 10, 2000).

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.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 31, 2001.

Bernard T. Carreau,

Acting Assistant Secretary for Import Administration.

[FR Doc. 01-22649 Filed 9-7-01; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-825]

Oil Country Tubular Goods From Korea: Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results of the antidumping duty administrative review of oil country tubular goods from Korea.

SUMMARY: In response to a request from SeAH Steel Corporation ("SeAH"), the Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on oil country tubular goods ("OCTG") from Korea. This review covers one manufacturer/exporter of the subject merchandise to the United States, SeAH, and the period August 1, 1999 through July 31, 2000, which is the fifth period of review ("POR").

We have preliminarily determined that SeAH made sales below normal value ("NV"). If these preliminary results are adopted in our final results of this administrative review, we will instruct the U.S. Customs Service to assess antidumping duties based on the difference between the constructed export price ("CEP") and NV. The preliminary results are listed below in the section entitled "Preliminary Results of Review."

EFFECTIVE DATE: September 10, 2001.

FOR FURTHER INFORMATION CONTACT: Mike Strollo or Scott Lindsay, Import Administration, International Trade Administration, U.S. Department of

Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-5255, or (202) 482-3782, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to 19 CFR part 351 (2000).

Background

On August 11, 1995, the Department published in the **Federal Register** an antidumping duty order on oil country tubular goods (OCTG) from Korea (60 FR 41058). On August 31, 2000, the Department received a timely request from SeAH to conduct an administrative review pursuant to section 351.213(b)(2) of the Department's regulations. We published a notice of initiation of this antidumping duty administrative review on OCTG on October 2, 2000 (65 FR 58733).

The Department subsequently determined it was impracticable to complete the review within the standard time frame, and extended the deadline for completion of this antidumping duty administrative review. *See Oil Country Tubular Goods from Korea: Extension of Time Limit for Preliminary Results of Antidumping Administrative Review*, 66 FR 23232 (May 8, 2001).

Scope of Review

The products covered by this order are oil country tubular goods ("OCTG"), hollow steel products of circular cross-section, including only oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to American Petroleum Institute ("API") or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). This scope does not cover casing or tubing pipe containing 10.5 percent or more of chromium, or drill pipe. The products subject to this order are currently classified in the Harmonized Tariff Schedule of the United States ("HTSUS") under item numbers:

7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50,

7304.29.20.60, 7304.29.20.80, 7304.29.30.10, 7304.29.30.20, 7304.29.30.30, 7304.29.30.40, 7304.29.30.50, 7304.29.30.60, 7304.29.30.80, 7304.29.40.10, 7304.29.40.20, 7304.29.40.30, 7304.29.40.40, 7304.29.40.50, 7304.29.40.60, 7304.29.40.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.60.15, 7304.29.60.30, 7304.29.60.45, 7304.29.60.60, 7304.29.60.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.20.10.30, 7306.20.10.90, 7306.20.20.00, 7306.20.30.00, 7306.20.40.00, 7306.20.60.10, 7306.20.60.50, 7306.20.80.10, and 7306.20.80.50. The HTSUS item numbers are provided for convenience and Customs purposes. The written description remains dispositive of the scope of this review.

Period of Review

This review covers the period August 1, 1999 through July 31, 2000.

Verification

As provided in section 782(i) of the Act, we verified information provided by SeAH using standard verification procedures, including on-site inspection of the manufacturer's facilities and the examination of relevant sales and financial records.

Date of Sale

SeAH reported the date of invoice as the date of sale for its U.S. market sales and the purchase order date as the date of sale in the third country market. SeAH stated that, in the third country market, the material terms of sale, i.e. price and quantity, are finalized on the purchase order date, and therefore, this date was reported as the date of sale. For its U.S. sales, SeAH stated that the vast majority of sales are made from inventory. For these sales, the customer generally contacted Pusan Pipe America ("PPA"), SeAH's affiliated reseller. According to SeAH, no set purchase order was generated, and the invoice was the first document which indicated that a transaction occurred. Therefore, the invoice date best reflects the date on which the material terms of sale are established. On June 1, 2001, SeAH reiterated that the dates of sale reported in both markets best reflect the dates on which the material terms were set. The Department, therefore, is preliminarily using the dates of sale reported by SeAH.