to the intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, the Department will instruct CBP to liquidate un–reviewed entries at the all others rate if there is no rate for the intermediary involved in the transaction. See *Assessment Policy Notice* for a full discussion of this clarification.

For MTZ, for which this administrative review is rescinded, antidumping duties shall be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(I). The Department will issue appropriate assessment instructions to CBP 15 days after the publication of this notice.

Disclosure and Public Hearing

We will disclose the calculations used in our analysis to parties to this segment of the proceeding within five days of the public announcement of this notice. *See* 19 CFR 351.224(b). Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, Room 1117, within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. *See* 19 CFR 351.310(c).

Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Unless the time period is extended by the Department, case briefs are to be submitted within 30 days after the date of publication of this notice in the **Federal Register**. *See* 19 CFR 351.309(c). Rebuttal briefs, which must be limited to arguments raised in case briefs, are to be submitted no later than five days after the time limit for filing case briefs. *See* 19 CFR 351.309(d). Parties who submit arguments in this proceeding are requested to submit with the argument: (1) a statement of the issues; (2) a brief summary of the argument; and (3) a table of authorities cited. Further, we request that parties submitting written comments provide the Department with a diskette containing an electronic copy of the public version of such comments.

Case and rebuttal briefs must be served on interested parties, in accordance with 19 CFR 351.303(f).

Unless extended, the Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

Notification to Importers

This notice 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.

The preliminary results of this administrative review and this notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 30, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–18028 Filed 8–5–08; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–401–808]

Purified Carboxymethylcellulose from Sweden: Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on purified carboxymethylcellulose (CMC) from Sweden, in response to timely received requests for review, submitted by CP Kelco AB (respondent), and the Aqualon Company, a division of Hercules Incorporated (Aqualon), a U.S. manufacturer of CMC (petitioner).

This review covers the period July 1, 2006, through June 30, 2007. We preliminarily determine that U.S. sales of subject merchandise have been made by CP Kelco AB (CP Kelco) below normal value (NV). If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties based on the difference between the export price (EP) or constructed export price (CEP) and the NV. Interested parties are invited to comment on these preliminary results. See the ''Preliminary Results of Review'' section of this notice.

EFFECTIVE DATE: August 6, 2008.

FOR FURTHER INFORMATION CONTACT: Patrick Edwards or Angelica Mendoza, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–8029 or (202) 482–3019, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 11, 2005, the Department published in the **Federal Register** the antidumping duty order on CMC from Sweden. *See Notice of Antidumping Duty Orders: Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands and Sweden*, 70 FR 39734 (July 11, 2005) (*Order*). On July 3, 2007, we published in the **Federal Register** a notice of opportunity to request an administrative review of, *inter alia*, the antidumping duty order on CMC from Sweden. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 72 FR 36420 (July 3, 2007). Pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(b), Aqualon timely requested an administrative review of the antidumping duty order on CMC from Sweden for CP Kelco on July 25, 2007. On July 27, 2007, CP Kelco entered its appearance and also requested that the Department conduct an administrative review of the antidumping duty order on CMC from Sweden. On August 24, 2007, in accordance with section 751(a) of the Act and 19 C.F.R. 351.221(c)(1)(i), the Department published a notice of initiation of the administrative review of this order. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 72 FR 48613, 48614 (August 24, 2007). We are conducting an administrative review of the order on CMC from Sweden for CP Kelco for the period July 1, 2006, through June 30, 2007.

On September 6, 2007, the Department issued its antidumping duty questionnaire to CP Kelco. On October 12, 2007, we received the section A response from CP Kelco (SQA). On October 26, 2007, CP Kelco filed its sections B and C questionnaire responses (SQBC). On November 14, 2007, Aqualon alleged that CP Kelco

made home market sales of CMC at prices below the cost of production (COP) during the period of review (POR). On December 19, 2007, based on the information contained in the petitioner's allegation and after conducting our own analysis, we initiated a sales–below-cost investigation of home market sales made by CP Kelco. See Memorandum to Richard Weible, Director, Office 7, from Patrick Edwards, Case Analyst and Angelica Mendoza, Program Manager, Office 7, entitled ''Petitioner's Allegation of Sales Below the Cost of Production for CP Kelco AB,'' dated December 19, 2007 (Cost Initiation Memorandum). As a result, on December 20, 2007, the Department requested that CP Kelco respond to section D of the Department's questionnaire. CP Kelco submitted its section D response on January 10, 2008 (SQD), including its cost reconciliation. On January 16, 2008, petitioner filed comments regarding the shutdown of CP Kelco's plant and operations, as disclosed in its questionnaire responses.

On February 1, 2008, the Department issued its first supplemental questionnaire regarding CP Kelco's responses to sections A through C of the Department's antidumping duty questionnaire. CP Kelco submitted its response on February 26, 2008 (Supplemental Response). On March 18, 2008, due to the complexity of several issues in this case, and pursuant to section 751(a)(3)(A) of the Act, the Department extended the deadline for the preliminary results by 120 days from April 1, 2008, until July 30, 2008. *See Purified Carboxymethylcellulose from Sweden: Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Review*, 73 FR 14436 (March 18, 2008). The Department issued its first supplemental questionnaire concerning CP Kelco's section D cost response on April 11, 2008, and CP Kelco submitted its supplemental response on April 28, 2008 (Supplemental Cost Response). On May 2, 2008, the Department issued to CP Kelco a second supplemental questionnaire concerning its sales responses regarding sections A through C of the questionnaire, and on May 15, 2008, CP Kelco submitted its response (Second Supplemental Response). On June 17, 2008, the Department issued a second supplemental questionnaire concerning CP Kelco's cost responses, and CP Kelco submitted its response on June 25, 2008 (Second Supplemental Cost Response). On July 2, 2008, Aqualon submitted additional comments regarding the shutdown of operations at the CP Kelco plant in Sweden.

Period of Review

The POR is July 1, 2006, through June 30, 2007.

Scope of the Order

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

Date of Sale

CP Kelco reported the invoice date as the date of sale for its U.S. sales. The Department considers invoice date to be the presumptive date of sale (*see* 19 CFR 351.401(i)). For purposes of this review, we examined whether invoice date or another date better represents the date on which the material terms of sale were established. The Department, in reviewing CP Kelco's questionnaire responses, found that the material terms of sale are set on the date on which the invoice is issued. CP Kelco reported that, following the receipt of purchase orders, the terms of sale are susceptible and subject to changes in price and quantity until issuance of the sales invoice. *See* SQA at A–31; *see also*, SQBC at C–12. Therefore, we preliminarily determine that invoice date is the appropriate date of sale for U.S. sales in this administrative review because it represents the date upon which the material terms of sale were established. This is consistent with the most recently completed administrative reviews of this order. However, for instances where the date of shipment preceded the date of invoice, we have preliminary determined to use the date of shipment for those sales.

Similarly, based on our review of CP Kelco's questionnaire responses, we preliminary find that the date of invoice constitutes the date on which the material terms of sale are established in the comparison market (*i.e.*, Sweden). *See* SQBC at B–12. CP Kelco reported that the terms of sale recorded on purchase orders in the comparison market are also subject to change, typically in the form of packing and product grade (which can affect price). Therefore, we are using the invoice date as the date of sale for comparison market sales. For a further discussion of our date of sale analysis, *see* Memorandum to the File through Angelica L. Mendoza, Program Manager, Office 7, from Patrick Edwards, Senior Case Analyst, titled ''Analysis of Data Submitted by CP Kelco AB in the Preliminary Results of the Antidumping Duty Administrative Review of Purified Carboxymethylcellulose (CMC) from Sweden,'' dated July 30, 2008 (Analysis Memorandum).

Fair Value Comparisons

To determine whether sales of CMC from Sweden to the United States were made at less than fair value, we compared the EP or CEP to the NV, as described in the ''Export Price and Constructed Export Price'' and ''Normal Value'' sections of this notice, below. In accordance with section 777A(d)(2) of the Act, we compared the EPs and CEPs of individual U.S. transactions to monthly weighted–average NVs.

Product Comparisons

We compared U.S. sales with sales of the foreign like product in the comparison market. Specifically, in making our comparisons, we used the following methodology. If an identical comparison–market model was reported, we made comparisons to weighted–average comparison market prices that were based on all sales which passed the COP test of the identical product during the relevant or contemporary month. *See* sections 771(16) and (35), 773(a)(1) of the Act; 19 CFR 351.414(b)-(c). If there were no contemporaneous sales of an identical model, we identified the most similar comparison–market model. *See id.* To determine the most similar model, we matched the foreign like product based on the physical characteristics reported by the respondent in the following order of importance: (1) grade, (2) viscosity, (3) degree of substitution, (4) particle size, and (5) solution characteristics.

Export Price and Constructed Export Price

In accordance with section 772 of the Act, we calculate either an EP or a CEP, depending on the nature of each sale.

Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold by the foreign exporter or producer before the date of importation to an unaffiliated purchaser in the United States, or to an unaffiliated purchaser for exportation to the United States. Section 772(b) of the Act defines CEP as the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter. CP Kelco classified two types of sales to the United States: 1) direct sales to end–user customers (EP); and 2) sales via its U.S. affiliate, CP Kelco U.S., to end–users and distributors (CEP). For purposes of these preliminary results, we have accepted CP Kelco's classifications.

We calculated EP based on prices charged to the first unaffiliated U.S. customer. We used the sale invoice date as the date of sale.[1] We based EP on the packed, delivered prices to the first unaffiliated purchasers outside Sweden. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act, which included foreign inland freight, international freight, marine insurance, U.S. inland freight, inland insurance, U.S. warehousing, U.S. brokerage and handling, and U.S. customs duties, while adding freight revenue, in accordance with section 772(c)(1) of the Act and section 351.401(e) of the Department's regulations. We made further adjustments for direct expenses (credit expenses) in accordance with section 772(c)(2)(A) of the Act. Additionally, and consistent with the prior administrative review of this antidumping duty order, we made a deduction from EP for the factoring charges incurred by CP Kelco on its U.S. account receivables.

We calculated CEP based on prices charged to the first unaffiliated U.S. customer after importation. We used the sale invoice date as the date of sale. We based CEP on the gross unit price from CP Kelco U.S. to its unaffiliated U.S. customers, making adjustments where necessary for billing adjustments and other discounts. Where applicable and pursuant to sections 772(c)(2)(A) and (d)(1) of the Act, the Department made deductions for movement expenses (foreign inland freight, international freight, marine insurance, U.S. inland freight, inland insurance, U.S. warehousing, U.S. brokerage and handling, and U.S. customs duties), while adding freight revenue, where applicable, in accordance with section 772(c)(1) of the Act and section 351.401(e) of the Department's regulations. In accordance with section 772(d)(1) of the Act, we also deducted, where applicable, U.S. direct selling expenses, including credit expenses, U.S. indirect selling expenses, and U.S. inventory carrying costs incurred in the United States and Sweden associated with economic activities in the United States. We also deducted CEP profit in accordance with section 772(d)(3) of the Act. We also made a deduction from CEP for factoring charges incurred by CP Kelco U.S. on its U.S. account receivables. *See* section 772(d)(1) of the Act.

Normal Value

A. Home Market Viability and Comparison Market Selection

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, whether the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Pursuant to section 773(a)(1)(B)(ii)(II) of the Act, because CP Kelco's aggregate volume of home market sales of the foreign–like product was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined that the home market was viable for comparison. Therefore, we have based NV on home market sales in the usual commercial quantities and in the ordinary course of trade.

B. Cost of Production Analysis

On December 19, 2007, based on an allegation from Aqualon, the Department initiated a sales–below-cost investigation of CP Kelco because Aqualon provided a reasonable basis to believe or suspect that CP Kelco is selling CMC in the home market at prices below its COP. *See* Cost Initiation Memorandum. Based on the Department's findings, there is a reasonable basis to believe or suspect that CP Kelco is selling CMC in Sweden at prices below COP. Therefore, pursuant to section 773(b)(1) of the Act, we examined whether CP Kelco's sales in Sweden were made at prices below the COP. *See* Cost Initiation Memorandum.

C. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated the weighted–average COP for each model based on the sum of CP Kelco's materials and fabrication costs for the foreign like product, plus an amount for home market selling expenses, general and administrative (G&A) expenses, financial expenses, and packing costs. We relied on the COP data submitted by CP Kelco.

D. Test of Home Market Prices

We compared the weighted–average COP of CP Kelco's home market sales to home market sales prices (net of billing adjustments, any applicable movement expenses, direct and indirect selling expenses, and packing) 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 COP. In determining whether to disregard home market sales made at prices below COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether such sales were made in substantial quantities within an extended period of time, and whether such sales were made at prices which would permit recovery of all costs within a reasonable period of time.

E. Results of the Cost Test

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

[1] *See* Analysis Memorandum for a further discussion of this issue.

F. Price–to-Price Comparisons

We calculated NV based on prices to unaffiliated customers or prices to affiliated customers that we determined to be at arm's length. *See* 19 CFR 351.404(c). We used the sale invoice date as the date of sale. *See* 19 CFR 351.401(i). We increased price for certain billing adjustments where appropriate. We made deductions, where appropriate, for foreign inland freight and inland insurance incurred in the comparison market, pursuant to section 773(a)(6)(B) of the Act. In addition, when comparing sales of similar merchandise, we made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise (*i.e.*, DIFMER) pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. We also made adjustments 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 made COS adjustments for imputed credit expenses. We also made an adjustment, where appropriate, for the CEP offset in accordance with section 773(a)(7)(B) of the Act. *See* ''Level of Trade'' section below. Additionally, we deducted home market packing costs and added U.S. packing costs in accordance with sections 773(a)(6)(A) and (B) of the Act. We also made a deduction from NV for factoring charges incurred by CP Kelco on its home market account receivables.

G. Price–to-Constructed Value–Comparison

In accordance with section 773(a)(4) of the Act, we base NV on constructed value (CV) if we are unable to find a contemporaneous comparison market match of identical or similar merchandise for the U.S. sale. Section 773(e) of the Act provides that CV shall be based on the sum of the cost of materials and fabrication employed in making the subject merchandise, selling, general and administrative (SG&A) expenses, financial expenses, profit, and U.S. packing costs. We calculated the cost of materials and fabrication for CP Kelco based on the methodology described in the COP section of this notice. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses, financial expense, and profit on the amounts CP Kelco incurred and realized in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. Accordingly, for sales of CMC 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 sales–below-cost test, we based NV on CV.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the home market at the same level of trade (LOT) as the EP or CEP transaction. The LOT in the home market is the LOT of the starting–price sales in the home market or, when NV is based on CV, the LOT of the sales from which we derive SG&A expenses and profit. With respect to U.S. price for EP transactions, the LOT is also that of the starting–price sale, which is usually from the exporter to the importer. For CEP, the LOT is that of the constructed sale from the exporter to the importer.

To determine whether home market sales are at a different LOT from U.S. sales, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the home market sales are at different LOTs, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and home market sales at the LOT of the export transaction, the Department makes an LOT adjustment in accordance with section 773(a)(7)(A) of the Act. For CEP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the customer. We analyze whether different selling activities are performed, and whether any price differences (other than those for which other allowances are made under the Act) are shown to be wholly or partly due to a difference in LOT between the CEP and NV. Under section 773(a)(7)(A) of the Act, we make an upward or downward adjustment to NV for LOT if the difference in LOT involves the performance of different selling activities and is demonstrated to affect price comparability, based on a pattern of consistent price differences between sales at different LOTs in the country in which NV is determined. Finally, if the NV LOT is at a more advanced stage of distribution than the LOT of the CEP, but the data available do not provide an appropriate basis to determine an LOT adjustment, we reduce NV by the amount of indirect selling expenses incurred in the foreign home market on sales of the foreign like product, but by no more than the amount of the indirect selling expenses incurred for CEP sales. *See* section 773(a)(7)(B) of the Act (the CEP offset provision).

In analyzing differences in selling functions, we determine whether the LOTs identified by the respondent are meaningful. *See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27371 (May 19, 1997). If the claimed LOTs are the same, we expect that the functions and activities of the seller should be similar. Conversely, if a party claims that LOTs are different for different groups of sales, the functions and activities of the seller should be dissimilar. *See Porcelain–on-Steel Cookware from Mexico: Final Results of Antidumping Duty Administrative Review*, 65 FR 30068 (May 10, 2000) and accompanying Issues and Decision Memorandum at Comment 6. In the present review, CP Kelco did not claim a LOT adjustment. *See* CP Kelco's SQBC at pages B–18 and C–18. In order to determine whether the home market 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''),[2] including selling functions, class of customer (customer category), and the level of selling expenses for each type of sale.

CP Kelco reported one LOT in the home market, Sweden, with two channels of distribution to two classes of customers: (1) direct sales from the plant to end users, and (2) direct sales from the plant to distributors. Based on our review of evidence on the record, we find that home market sales to both customer categories and through both channels of distribution were substantially similar with respect to selling functions and stages of marketing. CP Kelco performed the same selling functions for sales in both home market channels of distribution, including sales negotiations, customer care, credit risk management, logistics, inventory maintenance, packing, freight and delivery services, collection, sales promotion, and guarantees, *etc.* *See* CP Kelco's SQA at page A–25. Each of these selling functions were identical in the intensity of their provision or only differed in that some were provided with ''low–moderate'' frequency for direct sales to end users, while those same functions were provided with ''moderate'' intensity for direct sales to

[2] 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 involved in the two markets may have many or few links, and the respondent's sales occur somewhere along this chain. In performing this evaluation, we considered CP Kelco's narrative response to properly determine where in the chain of distribution the sale occurs.

distributors. After considering all of the above, we preliminarily find that CP Kelco had only one LOT for its home market sales.

CP Kelco reported one EP LOT and one CEP LOT, each with two separate channels of distribution in the United States. EP sales were made to end users and distributors either from inventory or made to order, and CEP sales were also made to end users and distributors and were either made from inventory or made to order. Therefore, we preliminarily find that CP Kelco has two channels of distribution for EP sales, and two channels of distribution for CEP sales. *See* CP Kelco's SQA at pages A–13 through A–15.

We reviewed the selling functions and services performed by CP Kelco in the U.S. market for EP sales, as described by CP Kelco in its questionnaire responses. CP Kelco reported that for sales produced to order and pulled from stock, the customer care unit of CP Kelco's U.S. affiliate (CP Kelco U.S.) handles the initial order processing for CP Kelco's EP sales, which are entered into the affiliate's operating system. However, all logistics and invoicing functions are coordinated by CP Kelco in Sweden. These functions include the retrieval of merchandise from warehouse or the scheduling of production to complete orders, arranging for shipment, and issuance of sales invoices directly to the customer. The logistics department of CP Kelco in Sweden arranges for freight and delivery to CP Kelco's unaffiliated U.S. customers. *See* CP Kelco's SQA at page A–17 through A–18 and A–25.

For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and CEP profit under section 772(d) of the Act. *See Micron Tech. Inc. v. United States*, 243 F.3d 1301, 1314–1315 (Fed. Cir. 2001). We reviewed the selling functions and services performed by CP Kelco on CEP sales as described in its questionnaire responses, after these deductions. We found that CP Kelco provides almost no selling functions to its U.S. affiliate in support of the CEP LOT. CP Kelco reported that the only services it provided for the CEP sales were logistics for freight and delivery, and very limited customer care and inventory maintenance. *See* CP Kelco's SQA at page A–13 through A–25.

We then examined the selling functions performed by CP Kelco on its EP sales in comparison with the selling functions performed on CEP sales (after deductions). We found that CP Kelco performs an additional layer of selling functions at a greater frequency on its direct sales to unaffiliated U.S. customers which are not performed on its sales to its affiliate (*e.g.*, sales negotiating, credit risk management, collection, sales promotion, direct sales personnel, technical support, guarantees, etc.). *See* CP Kelco's AQR at page A–29. Because these additional selling functions are significant, we find that CP Kelco's direct sales to unaffiliated U.S. customers (EP sales) are at a different LOT than its CEP sales.

Next, we compared the home market and EP sales. CP Kelco's home market and EP sales were both made to end users and distributors. In both cases, the selling functions performed by CP Kelco were almost identical for both markets. In both markets CP Kelco provided the following services: sales negotiating, credit risk management, customer care, logistics, inventory maintenance, packing, freight/delivery, collection, sales promotion, direct sales personnel, technical support, guarantees and discounts. *See* CP Kelco's SQA at page A–25. Because the selling functions and channels of distribution are substantially similar, we preliminarily determine that the home market LOT is the same as the EP LOT. It was, therefore, unnecessary to make an LOT adjustment for comparison of CP Kelco's home market and EP prices.

According to section 773(a)(7)(B) of the Act, a CEP offset is appropriate when the LOT in the home market is at a more advanced stage than the LOT of the CEP sales and there is no basis for determining whether the difference in LOTs between NV and CEP affects price comparability. CP Kelco reported that it provided minimal selling functions and services for the CEP LOT and that, therefore, the home market LOT is more advanced than the CEP LOT. Based on our analysis of the channels of distribution and selling functions performed by CP Kelco for sales in the home market and CEP sales in the U.S. market (*i.e.*, sales support and activities provided by CP Kelco on sales to its U.S. affiliate), we preliminarily find that the home market LOT is at a more advanced stage of distribution when compared to CEP sales because CP Kelco provides many selling functions in the home market at a higher level of service (*i.e.*, sales negotiations, customer care, collection, direct sales personnel, technical support, *etc.*) as compared to selling functions performed for its CEP sales (*i.e.*, CP Kelco reported that the only services it provided for the CEP sales were logistics, packing, freight and delivery services, and very limited inventory maintenance and customer care). *See* CP Kelco's SQA at page A–25. Thus, we find that CP Kelco's home market sales are at a more advanced LOT than its CEP sales. As there was only one LOT in the home market, there were no data available to determine the existence of a pattern of price differences, and we do not have any other information that provides an appropriate basis for determining a LOT adjustment; therefore, we applied a CEP offset to NV for CEP comparisons.

To calculate the CEP offset, we deducted the home market indirect selling expenses from NV for home market sales that were compared to U.S. CEP sales. As such, we limited the home market indirect selling expense deduction by the amount of the indirect selling expenses deducted in calculating the CEP as required under section 772(d)(1)(D) of the Act. *See* section 773(a)(7)(B) of the Act.

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act and 19 CFR 351.415 based on exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Bank. *See* Import Administration website at: http://ia.ita.doc.gov/exchange/index.html.

Preliminary Results of Review

We preliminarily determine that for the period July 1, 2006, through June 30, 2007, the following dumping margin exists:

Manufacturer/Exporter	Weighted–Average Margin (percent)
CP Kelco AB	6.89

Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries in accordance with 19 CFR 351.212. The Department intends to issue assessment instructions for CP Kelco directly to CBP 15 days after the date of publication of the final results of this administrative review.

The Department clarified its ''automatic assessment'' regulation on May 6, 2003 (68 FR 23954). This clarification will apply to entries of subject merchandise during the POR produced by companies included in these final results of review for which the reviewed companies did not know their 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 any intermediate company 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

The following cash–deposit rates will be effective upon publication of the final results of this review for all shipments of CMC from Sweden entered, or withdrawn from warehouse, for consumption on or after publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for subject merchandise produced by CP Kelco, the cash–deposit rate will be the rate established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; 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 25.29 percent from the LTFV investigation. *See Order*, 70 FR at 39735.

These deposit requirements, when imposed, shall remain in effect until further notice.

Public Comment

Pursuant to section 351.224(b) of the Department's regulations, the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to section 351.309 of the Department's regulations, interested parties may submit written comments in response to these preliminary results. Unless extended by the Department, case briefs are to be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, are to be submitted no later than five days after the time limit for filing case briefs. *See* 19 CFR 351.309(c)(1)(ii) and (d)(1). Parties who submit arguments in this proceeding are requested to submit with the argument: (1) a statement of the issues; and (2) a brief summary of the argument. *See* 19 CFR 351.309. Case and rebuttal briefs must be served on interested parties in accordance with section 351.303(f) of the Department's regulations. Further, we request that parties submitting briefs and rebuttal briefs provide the Department with a copy of the public version of such briefs on diskette.

Also, pursuant to section 351.310(c) of the Department's regulations, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs. *See* 19 CFR 351.310(d)(1). Parties will be notified of the time and location.

The Department will publish the final results of the administrative review, including the results of its analysis of issues raised in any case or rebuttal brief, no later than 120 days after publication of the preliminary results, unless extended. See section 751(a)(3)(A) of the Act; 19 CFR 351.213(h).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under section 351.402(f) of the Department's regulations 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.

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

Dated: July 30, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–18029 Filed 8–5–08; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–822]

Stainless Steel Sheet and Strip in Coils From Mexico; Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Preliminary Results of Antidumping Duty Administrative Review.

SUMMARY: In response to requests from respondent ThyssenKrupp Mexinox S.A. de C.V. (Mexinox S.A.) and Mexinox USA, Inc. (Mexinox USA) (collectively, Mexinox) and petitioners,[1] the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on stainless steel sheet and strip in coils (S4 in coils) from Mexico. This administrative review covers imports of subject merchandise from Mexinox S.A. during the period July 1, 2006, to June 30, 2007.

We preliminarily determine that sales of S4 in coils from Mexico have been made below normal value (NV). If these preliminary results are adopted in our final results of administrative review, we will instruct United States Customs and Border Protection (CBP) to assess antidumping duties based on the difference between the constructed export price (CEP) and NV. Interested parties are invited to comment on these preliminary results. Parties who submit argument in these proceedings are requested to submit with the argument: (1) A statement of the issues, (2) a brief summary of the argument, and (3) a table of authorities.

EFFECTIVE DATE: August 6, 2008.

FOR FURTHER INFORMATION CONTACT: Maryanne Burke or Robert James, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–5604 or (202) 482–0649, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 27, 1999, the Department published in the **Federal Register** the *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Stainless Steel Sheet and Strip in Coils from Mexico*, 64 FR 40560 (July 27, 1999). On July 3, 2007, the Department published a notice entitled *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 72 FR 36420 (July 3, 2007), covering, *inter alia,* S4 in coils from Mexico for the period July 1, 2006 through June 30, 2007.

In accordance with 19 CFR 351.213(b)(1), Mexinox and petitioners requested that the Department conduct

[1] Petitioners are Allegheny Ludlum Corporation, AK Steel Corporation, North American Stainless, United Auto Workers Local 3303, Zanesville Armco Independent Organization, Inc. and the United Steelworkers of America.