

publication of the preliminary results and rebuttal comments (rebuttal briefs), which must be limited to issues raised in the case briefs, within five days after the time limit for filing case briefs. See 19 CFR 351.309(c)(1)(ii) and 19 CFR 351.309(d). 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. Further, the Department requests that parties submitting written comments provide the Department with a diskette containing the public version of those comments. Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, the Department will issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days of publication of the preliminary results. The assessment of antidumping duties on entries of merchandise covered by this review and future deposits of estimated duties shall be based on the final results of this review.

#### Assessment Rates

Upon completion of this administrative review, pursuant to 19 CFR 351.212(b), the Department will calculate an assessment rate on all appropriate entries. For QVD, the only respondent receiving a calculated rate in this review, we will calculate importer-specific duty assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for the examined sales to the total volume of the examined sales for that importer. For Cataco, to ensure proper assessment, the Department has adjusted the total volume of the examined sales for Cataco as outlined in the *Cataco Analysis Memo*. Where the assessment rate is *de minimis*, we will instruct CBP to assess duties on all entries of subject merchandise by that importer.

#### Cash-Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for the exporters listed above, the cash deposit rate will be that established in the final results of this review (except, if the rate is zero or *de minimis*, no cash deposit will be required); (2) for previously investigated or reviewed Vietnam and non-Vietnam exporters not listed above

that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all Vietnam exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the Vietnam-wide rate of 66.34 percent, which was calculated in this review for QVD; and (4) for all non-Vietnam exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the Vietnam exporters that supplied that non-Vietnam exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

#### Notification to Interested Parties

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 POR. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

Dated: August 31, 2006.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E6-15003 Filed 9-8-06; 8:45 am]

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## 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.

**EFFECTIVE DATE:** September 11, 2006.

**FOR FURTHER INFORMATION CONTACT:** Salim Bhabhrwala or Saliha Loucif, at (202) 482-1784 or (202) 482-1779, respectively; AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th

Street & Constitution Avenue, NW, Washington, DC 20230.

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on granular polytetrafluoroethylene resin (PTFE) from Italy, covering the period August 1, 2004, through July 31, 2005. We preliminarily determine that sales of subject merchandise by Solvay Solexis, Inc. and Solvay Solexis S.p.A (collectively, Solvay) have been made 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 on appropriate entries based on the difference between the export price (EP) and the NV. Interested parties are invited to comment on these preliminary results.

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 30, 1988, the Department published in the **Federal Register** the antidumping duty order on granular PTFE resin from Italy. *See Antidumping Duty Order; Granular Polytetrafluoroethylene Resin from Italy*, 53 FR 33163 (August 30, 1988). On August 1, 2005, the Department issued a notice of opportunity to request an administrative review of this order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 70 FR 44085 (August 1, 2005). In accordance with 19 CFR 351.213(b), Solvay requested an administrative review. On September 28, 2005, the Department published the notice of initiation of this antidumping duty administrative review, covering the period August 1, 2004, through July 31, 2005 (the period of review, or POR). *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 70 FR 56631 (September 28, 2005).

On October 11, 2005, the Department issued its antidumping questionnaire to Solvay, specifying that the responses to Section A and Sections B-E would be due on November 1, 2005, and, November 15, 2005, respectively.<sup>1</sup> The

<sup>1</sup> Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under review that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (this Section is not applicable to respondents in non-market economy cases). Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production of

Department received timely responses to Sections A–E of the initial antidumping questionnaire and associated supplemental questionnaires.<sup>2</sup>

On April 14, 2006, the Department published a notice of a 90-day extension of the preliminary results of this administrative review. *See Granular Polytetrafluoroethylene Resin From Italy: Extension of the Time Limit for the Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 19481. This notice extended the deadline for the preliminary results to August 1, 2006. On August 3, 2006, the Department published a notice of a 30-day extension of the preliminary results of this administrative review. *See Granular Polytetrafluoroethylene Resin From Italy: Second Extension of the Time Limit for the Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 44018. This notice extended the deadline for the preliminary results to August 31, 2006.

#### Scope of the Order

The product covered by this order is granular PTFE resin, filled or unfilled. This order also covers PTFE wet raw polymer exported from Italy to the United States. *See Granular Polytetrafluoroethylene Resin From Italy: Final Affirmative Determination of Circumvention of Antidumping Duty Order*, 58 FR 26100 (April 30, 1993). This order excludes PTFE dispersions in water and fine powders. During the

the foreign like product and the constructed value of the merchandise under review. Section E requests information on further manufacturing.

<sup>2</sup>During the POR, Solvay sold merchandise further processed in the United States, which was made prior to the POR. In its Section A response, dated November 1, 2005, Solvay stated that its PTFE further manufacturing operations have been discontinued. In addition, Solvay reported it could not fill out Section E because its factory had been damaged by hurricane Rita. Solvay stated that it would provide the information as “soon as possible” but no Section E was filed. In Solvay’s first supplemental questionnaire, dated March 29, 2006, the Department again asked for Section E. Solvay responded on April 26, 2006, and stated that some of its documents were damaged in the hurricane and it could not fill out Section E “at this time.” In the Department’s second supplemental questionnaire, the Department told Solvay it had to either fill out Section E, or pursuant to the regulations, offer a full explanation and suggest alternate forms for presenting the data to the Department. Solvay replied again on July 14, 2006, that it could not fill out Section E because of the hurricane damage and submitted documents demonstrating structural damages to its facilities. In response to the Department’s fifth supplemental, dated August 8, 2006, Solvay submitted a Section E response, however, there are certain deficiencies in the Section E response. We plan to issue supplemental questionnaires after the preliminary results of this review. Our use of the Section E for the final results of this review will be contingent on complete answers by Solvay to our supplemental questions.

period covered by this review, such merchandise was classified under item number 3904.61.00 of the Harmonized Tariff Schedule of the United States (HTSUS). We are providing this HTSUS number for convenience and CBP 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 Tariff Act of 1930, as amended (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.

#### 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, Solvay Solexis, Inc. 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 in the United States, U.S. inland freight, U.S. warehousing, 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 reseller in connection with economic activity in the United States. These expenses include credit, inventory carrying costs, and indirect selling expenses incurred by Solvay Solexis, Inc. We adjusted inventory carrying cost for the sales of further manufactured products to accurately reflect the time they spent in inventory. *See Memorandum from Salih Loucif and Salim Bhabhrawala, International Trade Compliance Analysts, to Constance Handley, Program Manager, re: Preliminary Results Calculation Memorandum, dated August 31, 2006 (Analysis Memo).*

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. We adjusted the variable overhead for further-manufactured products to reflect a positive amount. In addition, we applied Solvay’s reported interest expense ratio to its further manufacturing cost. *See Analysis Memo.*

#### 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 Solvay’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. 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.

##### B. Cost of Production Analysis

Because we disregarded below-cost sales in the calculation of the final results of the 2000–2001 administrative review (13<sup>th</sup> review), with respect to Solvay, we had reasonable grounds to believe or suspect that home market sales of the foreign like product by Solvay had been made at prices below the cost of production (COP) during the period of this review. *See section 773(b)(2)(A)(ii) of the Act.* Therefore, pursuant to section 773(b)(1) of the Act, we initiated a COP investigation regarding home market sales. Solvay calculated its model-specific costs of production on a POR basis.

##### 1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the model-specific, 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.

### 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 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. Adjustments to Respondent's Data

We relied on the COP data submitted by Solvay in its cost questionnaire response except for general and administrative (G&A) expenses. We adjusted Solvay's G&A based on its normal books and records, in accordance with Italian GAAP. See Analysis Memo.

### 4. Results of the COP Test

We disregarded below-cost sales where (1) 20 percent or more of Solvay's sales of a given product during the POR were made at prices below the COP, because 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 (2) based on comparisons of price to weighted-average COPs for the POR, we determined that the below-cost sales of the product were 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. We found that Solvay made sales below cost, and we disregarded such sales where appropriate.

### C. Calculation of Normal Value 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 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.

### D. 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 Solvay 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*).

For purpose of this review, we obtained information from Solvay 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 Solvay 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 for Solvay, formerly known as Solvay Inc. and Solvay SpA (Solvay) have not changed from the 2000-2001 review, the most recently completed review in this case. As explained below, we determined in this review that, as in the prior review,<sup>3</sup> 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, Solvay 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*, 65 FR at 6150. The CEP level of trade involves minimal selling functions such as invoicing and the occasional exchange of personnel between Solvay 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.

<sup>3</sup> See *Notice of Final Results of Antidumping Duty Administrative Review: Granular Polytetrafluoroethylene Resin from Italy*, 68 FR 2007 (January 15, 2003) and *Notice of Final Results of Antidumping Duty Administrative Review: Granular Polytetrafluoroethylene Resin From Italy*, 67 FR 1960 (January 15, 2002).

**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, 2004, through July 31, 2005:

Producer	Weighted-Average Margin (Percentage)
Solvay Solexis, Inc. and Solvay Solexis S.p.A (collectively, Solvay) .....	39.48

In accordance with 19 CFR 351.224(b), the Department will disclose its weighted average antidumping margin calculations within 10 days of public announcement of these preliminary results. 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. See 19 CFR 351.309(c). 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. See 19 CFR 351.309(d). 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. Further, the parties submitting written comments should provide the Department with an additional copy of the public version of any such comments on diskette.

The Department will issue 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**

Upon completion of this administrative review, pursuant to 19 CFR 351.212(b), the Department will calculate an assessment rate on all appropriate entries. We will calculate importer-specific duty assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for the examined sales to the total quantity of the sales for that importer. Where the assessment rate is above *de minimis*, we will instruct CBP to assess duties on all entries of subject merchandise by that importer.

The Department clarified its "automatic assessment" regulation on May 6, 2003. See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003). This clarification will apply to entries of subject merchandise during the POR produced by the company included in these preliminary results for which the reviewed company 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 the intermediate company or companies involved in the transaction.

**Cash Deposit Requirements**

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of PTFE from Italy entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate listed above for Solvay will be the rate established in the final results of this review, except if a rate is less than 0.5 percent, and therefore *de minimis*, the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior 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 (4) 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 46.46 percent, the "all others" rate established in the LTFV investigation. See 53 FR 26096 (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 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.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 31, 2006.

**David M. Spooner**,  
Assistant Secretary for Import Administration.  
[FR Doc. E6-14909 Filed 9-11-06; 8:45 am]  
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**DEPARTMENT OF COMMERCE****International Trade Administration**

A-570-803

**Administrative Review (02/01/2005 01/31/2006) of Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, from the People's Republic of China: Notice of Rescission of Antidumping Duty Administrative Reviews**

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

**EFFECTIVE DATE:** September 11, 2006.

**FOR FURTHER INFORMATION CONTACT:** Mark Flessner 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 6312 or (202) 482-0649, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

On February 1, 2006, the Department of Commerce (the Department) published in the **Federal Register** (71 FR 5239) a notice of "Opportunity to Request an Administrative Review" of the antidumping duty order on heavy forged hand tools, finished or unfinished, with or without handles (heavy forged hand tools), from the People's Republic of China (PRC) for the period of review (POR) covering February 1, 2005, through January 31, 2006.

On February 24, 2006, respondents Shandong Machinery Import and Export Corporation and Tianjin Machinery Import and Export Corporation requested administrative reviews of their companies for this POR. On February 27, 2006, respondents Shanghai Machinery Import & Export Corp., Shandong Huarong Machinery Co., and Shandong Jinma Industrial Group Co., Ltd. requested administrative reviews of their companies for this POR. On February 28, 2006, petitioner Council Tool Company requested administrative reviews of Shandong Huarong