

countervailing duty order which was in effect on January 1, 1995, the date on which the WTO Agreement entered into force with respect to the United States. See section 751(c)(6)(C) of the Act. All of the orders subject to these sunset reviews were issued prior to January 1, 1995, and as such, are transition orders. Specifically, the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan were issued on March 15, 1988, February 23, 1993, and June 16, 1993, respectively. Therefore, the Department has determined, pursuant to section 751(c)(5)(C)(v) of the Act, that the sunset reviews of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan are extraordinarily complicated and require additional time for the Department to complete its analyses. The Department's final results of these sunset reviews were scheduled for June 2, 2005. The Department will extend the deadlines in these proceedings and, as a result, intends to issue the final results of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan on August 31, 2005, which is 90 days from the original deadline.

This notice is issued in accordance with sections 751(c)(5)(B) and (C)(v) of the Act.

Dated: May 19, 2005.

**Barbara E. Tillman,**

*Acting Deputy Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

(C-351-829)

#### Continuation of Countervailing Duty Order; Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil

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

**SUMMARY:** As a result of the determinations by the Department of Commerce ("the Department") and the International Trade Commission ("ITC") that revocation of the countervailing duty order on certain hot-rolled flat-rolled carbon-quality steel products from Brazil, would likely lead to continuation or recurrence of countervailable subsidies, and material injury to an industry in the United States, the Department is publishing

notice of the continuation of this countervailing duty order.

**EFFECTIVE DATE:** May 12, 2005.

**CONTACT INFORMATION:** Martha V. Douthit, Office of Policy, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW, Washington, DC 20230; telephone: (202) 482-5050.

**SUPPLEMENTARY INFORMATION:**

#### Background

On May 3, 2004, the Department initiated and the ITC instituted a sunset review of the countervailing duty order on certain hot-rolled flat-rolled carbon-quality steel products from Brazil, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act").<sup>1</sup> As a result of its review, the Department found that revocation of the countervailing duty order would likely lead to continuation or recurrence of subsidies and notified the ITC of the net countervailing subsidy rate likely to prevail were the order to be revoked.<sup>2</sup>

On May 5, 2005, the ITC determined pursuant to section 751(c) of the Act, that revocation of the countervailing duty order on certain hot-rolled flat-rolled carbon-quality steel products from Brazil would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>3</sup>

#### Scope of the Order

See Appendix 1

#### Determination

As a result of the determinations by the Department and the ITC that revocation of this countervailing duty order would likely lead to continuation or recurrence of subsidies and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act, the Department hereby orders the continuation of the countervailing duty order on certain hot-rolled flat-rolled carbon-quality steel products from Brazil.

As provided in 19 CFR 351.218(f)(4), the Department normally will issue its determination to continue an order not later than seven days after the date of publication in the **Federal Register** of

<sup>1</sup> See *Initiation of Five-year ("Sunset") Reviews*, 69 FR 24118 (May 3, 2004) and ITC's *Investigation Nos. 701-TA-384 and 731-TA-806-808 (Review)*, 69 FR 24189 (May 3, 2004).

<sup>2</sup> See *Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel From Brazil; Final Results of the Expedited Sunset Review of the Countervailing Duty Order*, 69 FR 70655 (December 7, 2004).

<sup>3</sup> See *Investigation Nos. 701-TA-384 and 731-TA-806-808 (Review)*, 70 FR 23886 (May 5, 2005).

the ITC's determination concluding the sunset review and, immediately thereafter, will publish notice of its determination in the **Federal Register**. In the instant case, however, the Department's publication of the Notice of Continuation was delayed. The Department has explicitly indicated that the effective date of continuation of this order is May 12, 2005, seven days after the date of publication in the **Federal Register** of the ITC's determination. As a result, pursuant to sections 751(c)(2) and 751(c)(6)(A) of the Act, the Department intends to initiate the next five-year review of this order not later than April 2010.

This five-year (sunset) review and notice are in accordance with section 751(c) of the Act and 19 CR 351.218 (f)(4).

Dated: May 20, 2005.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

#### APPENDIX 1

*Scope of the Order: Brazil (C-351-829)*

The products covered under the countervailing duty order are certain hot-rolled flat-rolled carbon-quality steel products, meeting the physical parameters described below, regardless of application.

The hot-rolled flat-rolled carbon-quality steel products subject to this order are of a rectangular shape, of a width of 0.5 inch of greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics of other non-metallic substances, in coils (whether or not in successively superimposed layers) regardless of thickness, and in straight lengths, of a thickness less than 4.75 mm and of a width measuring at least 10 times the thickness. Specifically included in this scope are vacuum degassed, fully stabilized (IF) steels, high strength low alloy (HSLA) steels, and the substrate for motor lamination steels. Steel products to be included in the scope of this order, regardless of Harmonized Tariff Schedule of the United States ("HTSUS") definitions, are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds certain specified quantities.

The merchandise subject to the order is currently classifiable under subheadings 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00,

7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00 of the HTSUS. Certain hot-rolled flat-rolled carbon-quality steel covered by this order, including vacuum degassed and fully stabilized, high strength low alloy, and the substrate for motor lamination steel may also enter under tariff numbers 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.00.00. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

#### Market Economy Inputs Practice in Antidumping Proceedings Involving Non-Market Economy Countries.

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

**ACTION:** Request for Comments.

**SUMMARY:** In antidumping proceedings involving non-market economy ("NME") countries, the Department of Commerce ("the Department") calculates normal value by valuing the NME producers' factors of production, to the extent possible, using prices from a market economy that is at a comparable level of economic development which is also a significant producer of comparable merchandise. The goal of this surrogate factor valuation is to use the "best available information." See section 773(c)(1) of the Tariff Act of 1930; *Shangdong Huraong General Corp. v. United States*, 159 F. Supp.2d 714, 719 (CIT 2001).

Normally, if a respondent sources an input from a market-economy supplier, the Department will use the average input price paid by the respondent to market economy suppliers (in market economy currency) to value all of the given input (both imported and domestically-sourced) used by respondents, provided three conditions are met. First, the volume of the imported input as a share of total purchases from all sources must be "meaningful," a term used in the Preamble to the Regulations but which is interpreted by the Department on a case-by-case basis. See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27366 (May 19, 1997) (Preamble). See, also, *Shakeproof v. United States*, 268 F.3d 1376, 1382 (Fed. Cir. 2001). Second, this average import price must reflect *bona fide* sales. Third, the Department disregards all inputs it has reason to believe or suspect might be dumped or subsidized. The Department is now considering options to change certain aspects of its current policy and practice regarding market economy input prices, and through this notice, invites public comment on the options detailed below. This notice is part of an ongoing effort by which the Department is considering modifications to its NME policy and practice. The Department may solicit additional public comment on other possible changes, as well.

**DATES:** Comments must be submitted by June 24, 2005.

**ADDRESSES:** Written comments (original and six copies) should be sent to Joseph A. Spetrini, Acting Assistant Secretary for Import Administration, U.S. Department of Commerce, Central Records Unit, Room 1870, Pennsylvania Avenue and 14th Street NW, Washington, DC 20230.

**FOR FURTHER INFORMATION CONTACT:** Lawrence Norton, Economist, or Anthony Hill, Senior International Economist, Office of Policy, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC, 20230, 202-482-1579 or 202-482-1843.

#### SUPPLEMENTARY INFORMATION:

##### Background

In an NME antidumping proceeding, the Department bases its calculation of normal value on the NME producers' factors of production, valued, to the extent possible, using prices from a market economy that is at a comparable level of economic development and that is also a significant producer of comparable merchandise. See section

773(c)(1) of the Tariff Act of 1930. Where an NME producer purchases inputs from market economy suppliers and pays in a market-economy currency, however, the Department uses the actual price paid for these inputs, where possible. See *Final Determination of Sales at Less Than Fair Value: Oscillating Fans and Ceiling Fans from the People's Republic of China*, 56 FR 55271 (October 25, 1991). Where a portion of the factor input is purchased from a market economy supplier and the remainder from a nonmarket economy supplier, the Department will normally value the factor using the price paid to the market-economy supplier. See 19 CFR 351.408(c)(1). The Department declines to value a given factor using prices paid to market economy suppliers when the quantity is not "meaningful", because, in such cases, the NME producer may not be able to purchase all of the inputs it needs for the input at that price. See *Preamble*, 62 FR at 27366. In keeping with its standard practice concerning factor valuation, the Department also declines to accept prices when it believes the transaction was not conducted at arm's length. Finally, the Department does not accept prices of goods sold when it has reason to believe or suspect that the goods may be dumped or subsidized.

The Department is considering changes to the policy and practice detailed above, in particular, to its interpretation of what constitutes a "meaningful" quantity of an input sourced from a market economy country. Under current practice, a "meaningful" quantity above which the Department will use market economy input prices to value all of an input is determined on a case-by-case basis. To address a concern that basing the entire input value on a small amount of purchases might not be the most accurate reflection of what a company pays to source the entire input, the Department is considering whether to apply certain criteria in determining whether the amounts purchased from a market economy supplier are "meaningful." There is further concern that our current practice may allow parties to manipulate the Department's margin calculations by sourcing just enough of an input from market economy suppliers so that the market economy price is used to value the entire input, even though that party does not source the entire input from foreign (market economy) suppliers in the normal course of business. In such situations, concern has been expressed that the market economy prices the Department would use to value an