

DEPARTMENT OF COMMERCE

International Trade Administration

[A-122-601]

Brass Sheet and Strip From Canada; 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: The Department of Commerce (the Department) has conducted an administrative review of the antidumping duty order on brass sheet and strip From Canada. The review covers one manufacturer/exporter of this merchandise to the United States and the period January 1, 1992 through December 31, 1992. The review indicates the existence of dumping margins for this period.

We have preliminarily determined that U.S. sales have been made below the foreign market value (FMV). If these preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs to assess antidumping duties equal to the difference between the United States price (USP) and the FMV.

Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: April 27, 1995.

FOR FURTHER INFORMATION CONTACT: Sally Hastings, Chip Hayes, or John Kugelman, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4366, 482-5047, or 482-0649.

SUPPLEMENTARY INFORMATION:**Background**

On January 12, 1987, the Department published in the *Federal Register* (52 FR 1217) the antidumping duty order on brass sheet and strip from Canada. Based on timely requests for review, on March 8, 1993, in accordance with 19 CFR 353.22(c), we initiated an administrative review of Wolverine Tube (Canada) Inc. (Wolverine), for the period January 1, 1992 through December 31, 1992 (58 FR 12931). The Department is now conducting this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act).

Scope of the Review

Imports covered by this review are brass sheet and strip, other than leaded and tin brass sheet and strip. The chemical composition of the covered products is currently defined in the Copper Development Association (C.D.A.) 200 Series or the Unified Numbering System (U.N.S.) C2000. Products whose chemical composition is defined by other C.D.A. or U.N.S. series are not covered by this order.

The physical dimensions of the products covered by this review are brass sheet and strip of solid rectangular cross section over 0.006 inches (0.15 millimeters) through 0.188 inches (4.8 millimeters) in finished thicknesses or gauge, regardless of width. Coiled, wound-on-reels (traverse wound), and cut-to-length products are included.

During the review period such merchandise was classifiable under Harmonized Tariff Schedule (HTS) subheadings 7409.21.00 and 7409.29.00. Although the HTS subheadings are provided for convenience and for Customs purposes, the written description of the scope of this order remains dispositive. This review covers one Canadian manufacturer/exporter, Wolverine, and the period January 1, 1992 through December 31, 1992.

USP

We based USP on purchase price, in accordance with section 772 of the Tariff Act. We calculated purchase price based on delivered, duty-paid prices. In accordance with section 772(d)(2) of the Tariff Act, we made deductions for movement expenses and customs duty. Movement expenses included fees for brokerage and handling, and U.S. and foreign inland freight.

When comparisons were made to home market sales, we adjusted USP for taxes in accordance with our practice as outlined in *Silicomanganese from Venezuela, Preliminary Determination of Sales at Less Than Fair Value*, 59 FR 31204, June 17, 1994 (*Silicomanganese*).

No other adjustments were claimed or allowed.

FMV

The Department used home market price to calculate FMV, as defined in section 773 of the Tariff Act. Because the home market was viable, we compared U.S. sales with sales of such merchandise in the home market.

FMV was based on packed, delivered prices to unrelated home market purchasers. We made adjustments, where applicable, for home market credit, post-sale inland freight, U.S. credit costs, GST, and U.S. packing costs.

We calculated FMV using monthly weighted-average prices of brass sheet and strip having the same characteristics as to alloy, product code, width group, and gauge group (as was done in earlier proceedings).

We also adjusted the amount of the home market GST included in FMV in accordance with our methodology in *Silicomanganese*.

No other adjustments were claimed or allowed.

Cost Test

Since the information supporting petitioners' allegation provided reasonable grounds to believe or suspect home market sales below cost, we investigated whether Wolverine sold such merchandise in the home market at prices below the cost of production (COP), in accordance with section 773(b) of the Tariff Act. In determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made in substantial quantities over an extended period of time, and whether such sales were made at prices which permitted recovery of all costs within a reasonable period of time in the normal course of trade.

We requested COP information on an alloy-specific basis because we have determined that alloy is a primary component and a major differentiating factor of brass sheet and strip products. The Court of International Trade (CIT) upheld the Department's use of alloy-specific information in *Hussey Copper, Ltd., et al. v. United States*, Slip Op. 94-81 (May 16, 1994). In response to our request, Wolverine reported COP as the sum of costs for materials, labor, factory overhead, selling, general and administrative (SG&A) expenses, and packing for each product code. Wolverine's product code, however, is a general categorization which does not distinguish between various alloys, gauges, and widths. Moreover, Wolverine did not suggest any allocation methodology that would result in alloy-specific data for the fabrication and packing costs for the class or kind of subject merchandise. As a result, we used, as partial best information available, in accordance with section 776(c) of the Tariff Act, the fabrication and packing cost portions of petitioners' data which were submitted in the sales-below-cost allegation. Since metal costs were maintained on an alloy-specific basis, we did use respondent's submitted metal prices from its daily metal price list for this element and its company data to compute SG&A expenses.