

investigation may be classified in the Harmonized Tariff Schedule of the United States (HTSUS) at heading 3702 and subheadings 3921.90.40.25, 9612.10.90.30, 3204.90, 3506.99, 3919.90, 3920.62, 3920.99 and 3926.90. The tariff classifications are provided for convenience and Customs and Border Protection (CBP) purposes; however, the written description of the scope of the investigation is dispositive.

On October 29, 2003 and November 24, 2003, the petitioner submitted documents it claims suggest the respondents in the TTR investigations are attempting to circumvent a potential TTR antidumping order by slitting subject merchandise jumbo rolls in a third country. The petitioner contends the country of origin of slit TTR should be determined by the country of origin of the jumbo TTR roll from which it was slit, regardless of where the slitting occurred. The petitioner argues that slitting subject merchandise jumbo TTR rolls does not involve a substantial transformation, and therefore, does not change the country of origin of slit TTR rolls.

On November 26, 2003 and December 12, 2003, Armor S.A. (respondent in the antidumping investigation of TTR from France) submitted comments regarding the petitioner's allegation. Armor S.A. (Armor) argues the further manufacturing process does in fact substantially transform the jumbo TTR rolls, and thus does change the country of origin of the merchandise. On December 5, 2003, petitioner made a response to Armor's November 26, 2003 submission.

We have reviewed the petitioner's and Armor's comments. However, as a determination of whether or not slitting jumbo TTR rolls constitutes a substantial transformation and, therefore, changes the country of origin of the merchandise for purposes of administering the antidumping law, and as such a change may affect the scope of this investigation and future proceedings, it is necessary to provide interested parties the opportunity to comment on this issue. See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997). The due date for such comments is two weeks after publication of this notice. The due date for any rebuttal comments is five days later.

We remind parties that case and rebuttal briefs, whether commenting on this country of origin issue, or any other issue, must be limited to the facts already on the record in accordance with section 351.301 of the Department's regulations.

### Constructed Export Price

In accordance with section 772(a) of the Tariff Act, export price (EP) is the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser for exportation to the United States. In accordance with section 772(b) of the Tariff Act, constructed export price (CEP) is 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 an unaffiliated purchaser, as adjusted under sections 772(c) and (d) of the Tariff Act. For purposes of this investigation ITW has classified its sales as CEP sales. See ITW's September 24, 2003 section C response, at C-7.

ITW states that all of its U.S. sales were imported by its U.S. affiliate, ITW Thermal Files (ITWTF), and that it made all of its U.S. sales through ITWTF. See September 5, 2003, section A response at A-2 and A-18. Based on this information, we preliminarily determine that ITW's U.S. sales are CEP sales.

For purposes of this preliminary determination, we used the U.S. sales listings submitted by ITWTF and Reseller 1 on September 24, 2003, and by Reseller 2 and Reseller 3 on November 21, 2003. We calculated CEP in accordance with section 772(b) of the Tariff Act. We based CEP on packed prices from ITWTF, Reseller 1, Reseller 2, or Reseller 3 for shipment to distributors, converters, original equipment manufacturers, and end-users in the U.S. market. We made adjustments for movement expenses in accordance with section 772(c)(2)(A) of the Tariff Act; these included, where appropriate, foreign inland freight, brokerage and handling, international freight, U.S. inland freight, and U.S. Customs duties. In accordance with section 772(d)(1) of the Tariff Act, we deducted those selling expenses associated with economic activities occurring in the United States, including warehousing, commissions, warranty expenses, discounts, U.S. repacking, inventory carrying costs, and indirect selling expenses. We made an adjustment for profit in accordance with section 772(d)(3) of the Tariff Act. Because we do not have total cost data on the record of this investigation, we calculated profit using data from ITWTF's financial statement. See the preliminary determination analysis

memorandum dated December 16, 2003 for details of our calculation. We added duty drawback to the U.S. starting price in accordance with section 772(c)(1)(B) of the Tariff Act, and made additional upward adjustments to the U.S. starting price for freight revenue and revenues ITW reported as "additional revenues." We made an adjustment for further manufacturing in accordance with 772(d)(2) of the Tariff Act.

### Normal Value

In accordance with section 773(a)(1)(C) of the Tariff Act, to determine whether there was sufficient volume of sales in the home market to serve as a viable basis for calculating NV (i.e., the aggregate volume of home market sales of the foreign like product is greater than or equal to five percent of the aggregate volume of U.S. sales), we compared ITW's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise. Because ITW'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 for the subject merchandise, we determined that the home market was viable. We therefore based NV on home market sales to unaffiliated purchasers made in the usual commercial quantities and in the normal course of trade.

Since no information on the record indicates that ITW made any sales to affiliates in its home market, we did not use an arm's-length test for comparison market sales.

On November 19, 2003 the Department initiated a below-cost sales investigation with respect to ITW's home market sales. The due date for ITW's section D questionnaire response is December 16, 2003. Since the due date of ITW's cost submission makes it impossible for the Department to perform a cost analysis for purposes of this preliminary determination, we intend to issue an analysis of ITW's cost data following publication of this preliminary determination and allow parties an opportunity to comment on that analysis.

For purposes of this preliminary determination, we used the home market sales listing ITW submitted with its November 21, 2003 section B supplemental questionnaire response. We calculated NV based on prices to unaffiliated customers in the home market. We made an adjustment for rebates in accordance with 19 CFR 351.401(c). We made an adjustment for inland freight pursuant to section 773(a)(6)(B) of the Tariff Act. We also made circumstance-of-sale adjustments