

EFFECTIVE DATE: November 4, 1996.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, Crystal Square 3, Suite 403, 1735 Jefferson Davis Highway, Arlington, Virginia 22202-3461.

FOR FURTHER INFORMATION CONTACT: Beverly Milkman (703) 603-7740.

SUPPLEMENTARY INFORMATION: On May 17, July 8, August 2 and 9, 1996, the Committee for Purchase From People Who Are Blind or Severely Disabled published notices (61 F.R. 24941, 35710, 40395 and 41570) or proposed additions to the Procurement List.

After consideration of the material presented to it concerning capability of qualified nonprofit agencies to provide the commodities and services and impact of the additions on the current or most recent contractors, the Committee has determined that the commodities and services listed below are suitable for procurement by the Federal Government under 41 U.S.C. 46-48c and 41 CFR 51-2.4.

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities other than the small organizations that will furnish the commodities and services to the Government.

2. The action will not have a severe economic impact on current contractors for the commodities and services.

3. The action will result in authorizing small entities to furnish the commodities and services to the Government.

4. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) in connection with the commodities and services proposed for addition to the Procurement List.

Accordingly, the following commodities and services are hereby added to the Procurement List:

Commodities

Easel, Display and Training
7520-01-424-4867
7520-01-424-4845

Services

Disposal Support Services
Eglin Air Force Base, Florida
Food Service Attendant
U.S. Coast Guard
Haley Hall Dining Facility, Building
560

Petaluma, California
Grounds Maintenance
Presidio of Monterey
Monterey, California
Janitorial/Custodial
Caven Point USARC
Jersey City, New Jersey

This action does not affect current contracts awarded prior to the effective date of this addition or options that may be exercised under those contracts.

Beverly L. Milkman,

Executive Director.

[FR Doc. 96-25529 Filed 10-3-96; 8:45 am]

BILLING CODE 6353-01-M

Procurement List; Proposed Additions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Proposed additions to Procurement List.

SUMMARY: The Committee has received proposals to add to the Procurement List commodities to be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

COMMENTS MUST BE RECEIVED ON OR

BEFORE: November 4, 1996.

ADDRESS: Committee for Purchase From People Who Are Blind or Severely Disabled, Crystal Square 3, Suite 403, 1735 Jefferson Davis Highway, Arlington, Virginia 22202-3461.

FOR FURTHER INFORMATION CONTACT: Beverly Milkman (703) 603-7740.

SUPPLEMENTARY INFORMATION: This notice is published pursuant to 41 U.S.C. 47(a)(2) and 41 CFR 51-2.3. Its purpose is to provide interested persons an opportunity to submit comments on the possible impact of the proposed actions.

If the Committee approves the proposed additions, all entities of the Federal Government (except as otherwise indicated) will be required to procure the commodities listed below from nonprofit agencies employing persons who are blind or have other severe disabilities.

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities other than the small organizations that will furnish the commodities to the Government.

2. The action will result in authorizing small entities to furnish the commodities to the Government.

3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) in connection with the commodities proposed for addition to the Procurement List.

Comments on this certification are invited. Commenters should identify the statement(s) underlying the certification on which they are providing additional information.

The following commodities have been proposed for addition to the Procurement List for production by the nonprofit agencies listed:

Cap, Garrison, Army, Enlisted
8405-01-334-1493 thru -1505
(50% of the Government's requirement)

NPA: Goodwill Industries of South Florida, Inc., Miami, Florida

Beverly L. Milkman,

Executive Director.

[FR Doc. 96-25551 Filed 10-3-96; 8:45 am]

BILLING CODE 6353-01-M

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-815 & A-580-816]

Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea: Preliminary Results of Antidumping Duty Administrative Reviews

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

ACTION: Notice of preliminary results of antidumping duty administrative reviews.

SUMMARY: In response to requests from three respondents and from the petitioners in the original investigation, the Department of Commerce ("the Department") is conducting administrative reviews of the antidumping duty orders on certain cold-rolled and corrosion-resistant carbon steel flat products from Korea. These reviews cover three manufacturers and exporters of the subject merchandise. The period of review ("POR") is August 1, 1994, through July 31, 1995.

We preliminarily determine that sales have been made below normal value ("NV"). If these preliminary results are

adopted in our final results of administrative reviews, we will instruct U.S. Customs to assess antidumping duties equal to the difference between export price ("EP") or constructed export price ("CEP") and NV.

Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding are requested to submit with the argument: (1) a statement of the issue; and (2) a brief summary of the argument.

EFFECTIVE DATE: October 4, 1996.

FOR FURTHER INFORMATION CONTACT:

Charles Rast (Dongbu), Steve Bezirganian or Robin Gray (POSCO), Alain Letort (Union), or Linda Ludwig, Enforcement Group III—Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Room 7866, Washington, D.C. 20230; telephone (202) 482-0405 (Rast), -1395 (Bezirganian), -0196 (Gray), -4243 (Letort), or -3833 (Ludwig).

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, as amended by the interim regulations published in the Federal Register on May 11, 1995 (60 FR 25130).

Background

The Department published antidumping duty orders on certain cold-rolled and corrosion-resistant carbon steel flat products from Korea on August 19, 1993 (58 FR 44159). The Department published a notice of "Opportunity to Request an Administrative Review" of the antidumping duty orders for the 1994/95 review period on August 1, 1995 (60 FR 39150). On August 31, 1995, respondents Dongbu Steel Co., Ltd. ("Dongbu"), Union Steel Manufacturing Co., Ltd. ("Union"), and Pohang Iron and Steel Co., Ltd. ("POSCO"), requested that the Department conduct administrative reviews of the antidumping duty orders on cold-rolled and corrosion-resistant carbon steel flat products from Korea. On the same day, the petitioners in the original less-than-fair-value ("LTFV") investigations (Bethlehem Steel Corporation, U.S. Steel

Group—a unit of USX Corporation, Inland Steel Industries, Inc., Geneva Steel, Gulf States Steel Inc. of Alabama, Sharon Steel Corporation, and Lukens Steel Company) filed a similar request. We initiated these reviews on September 5, 1995 (60 FR 46817—September 8, 1996).

On November 20, 1995, the petitioners requested that the Department determine whether antidumping duties had been absorbed by the respondents during the POR, pursuant to section 751(a)(4) of the Act. Section 751(a)(4) provides for the Department, if requested, to determine during an administrative review initiated two years or four years after publication of the orders whether antidumping duties have been absorbed by a foreign producer or exporter subject to the order if the subject merchandise is sold in the United States through an importer who is affiliated with such foreign producer or exporter. Section 751(a)(4) was added to the Act by the URAA. The Department's interim regulations do not address this provision of the Act. For transition orders as defined in section 751(c)(6)(C) of the Act, *i.e.*, orders in effect as of January 1, 1995, section 351(213)(j)(2) of the Department's draft regulations provides that "* * * [t]he Department will make a duty absorption determination, if requested, for any administrative review initiated in 1996 or 1998." *See Notice of Proposed Rulemaking and Request for Public Comments*, 61 FR 7308, 7366 (February 27, 1996) ("Proposed Regulations"). The commentary to the proposed regulations explains that reviews initiated in 1996 will be considered initiated in the second year and reviews initiated in 1998 will be considered initiated in the fourth year. *Id.* at 7317. Although these proposed regulations are not yet binding upon the Department, they do constitute a public statement of how the Department expects to proceed in construing section 751(a)(4) of the amended statute. This approach assures that interested parties will have the opportunity to request a duty absorption determination on entries for which the second and fourth years following an order have already passed, prior to the time for sunset review of the order under section 751(c).

Because the orders on certain cold-rolled and corrosion-resistant carbon steel flat products from Korea have been in effect since 1993, these are transition reviews. Therefore, based on the policy stated above, the Department will first consider a request for an absorption determination if a review is initiated in 1996. Because these reviews were

initiated in 1995, we will not undertake a duty-absorption investigation.

Under the Act, the Department may extend the deadline for completion of administrative reviews if it determines that it is not practicable to complete the review within the statutory time limit of 365 days. On March 22, 1996, the Department extended the time limits for preliminary and final results in this case. *See Extension of Time Limit for Antidumping Duty Administrative Reviews*, 61 FR 14291 (April 1, 1996).

The Department is conducting these administrative reviews in accordance with section 751 of the Act.

Scope of the Reviews

The review of "certain cold-rolled carbon steel flat products" covers cold-rolled (cold-reduced) carbon steel flat-rolled products, of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished or coated with plastics or other nonmetallic substances, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule ("HTS") under item numbers 7209.11.0000, 7209.12.0030, 7209.12.0090, 7209.13.0030, 7209.13.0090, 7209.14.0030, 7209.14.0090, 7209.21.0000, 7209.22.0000, 7209.23.0000, 7209.24.1000, 7209.24.5000, 7209.31.0000, 7209.32.0000, 7209.33.0000, 7209.34.0000, 7209.41.0000, 7209.42.0000, 7209.43.0000, 7209.44.0000, 7209.90.0000, 7210.70.3000, 7210.90.9000, 7211.30.1030, 7211.30.1090, 7211.30.3000, 7211.30.5000, 7211.41.1000, 7211.41.3030, 7211.41.3090, 7211.41.5000, 7211.41.7030, 7211.41.7060, 7211.41.7090, 7211.49.1030, 7211.49.1090, 7211.49.3000, 7211.49.5030, 7211.49.5060, 7211.49.5090, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7217.11.1000, 7217.11.2000, 7217.11.3000, 7217.19.1000, 7217.19.5000, 7217.21.1000, 7217.29.1000, 7217.29.5000, 7217.31.1000, 7217.39.1000, and 7217.39.5000. Included in this review are flat-rolled products of nonrectangular cross-section where

such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been bevelled or rounded at the edges. Excluded from this review is certain shadow mask steel, *i.e.*, aluminum-killed, cold-rolled steel coil that is open-coil annealed, has a carbon content of less than 0.002 percent, is of 0.003 to 0.012 inch in thickness, 15 to 30 inches in width, and has an ultra flat, isotropic surface.

The review of "certain corrosion-resistant carbon steel flat products" covers flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7210.31.0000, 7210.39.0000, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.60.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.21.0000, 7212.29.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.5000, 7217.12.1000, 7217.13.1000, 7217.19.1000, 7217.19.5000, 7217.22.5000, 7217.23.5000, 7217.29.1000, 7217.29.5000, 7217.32.5000, 7217.33.5000, 7217.39.1000, and 7217.39.5000. Included are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been bevelled or rounded at the edges. Excluded are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or

other nonmetallic substances in addition to the metallic coating. Also excluded are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness. Also excluded are certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%–60%–20% ratio.

These HTS item numbers are provided for convenience and customs purposes. The written descriptions remain dispositive.

The POR is August 1, 1994 through July 31, 1995. These reviews cover sales of certain cold-rolled and corrosion-resistant carbon steel flat products by Dongbu, Union, and POSCO.

Verification

As provided in section 782(i)(3) of the Act, we verified information provided by the respondents using standard verification procedures, including on-site inspection of the manufacturer's facilities, the examination of relevant sales and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the public versions of the verification reports.

Transactions Reviewed

In accordance with section 751 of the Act, the Department is required to determine the EP (or CEP) and NV of each entry of subject merchandise during the relevant review period.

In determining NV, based on our review of the submissions by Dongbu, the Department determined that Dongbu need not report downstream sales in the home market because of their small quantity. *See Memorandum to the File from Alain Letort* (November 8, 1996), a copy of which, as well as copies of other memoranda referred to in this notice, are available in Room B-099 of the Department's Central Records Unit. With respect to POSCO, and based on our review of the respondent's submissions, the Department determined that POSCO need not report the home market downstream sales of the service centers in which it owns a minority stake because it appears that they would have a minimal effect upon the calculation of NV, and such reporting would constitute an enormous burden. *See Memorandum to Joseph A.*

Spetrini from Richard O. Weible (September 16, 1996).

For purposes of these reviews, we are treating POSCO, Pohang Coated Steel Co., Ltd. ("POCOS"), and Pohang Steel Industries Co., Ltd. ("PSI") as affiliated parties and have "collapsed" them as a single producer of certain cold-rolled carbon steel flat products (POSCO and PSI) and certain corrosion-resistant carbon steel flat products (POSCO, POCOS, and PSI). POSCO, POCOS, and PSI were already collapsed in previous segments of these proceedings. *See Final Determinations of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate from Korea*, 58 FR 37176 (July 9, 1993). Likewise, we have collapsed Union with one of its affiliated parties, Dongkuk Steel Industries Co., Ltd. ("DKI") for certain cold-rolled carbon steel products only. Union and DKI were already collapsed in previous segments of these proceedings. *See Certain Cold-Rolled Carbon Steel Flat Products from Korea: Preliminary Results of Antidumping Duty Administrative Review*, 60 FR 65284 (December 19, 1995). These companies have submitted no information which would cause us to change that treatment.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all cold-rolled carbon steel flat products produced by the respondents, covered by the descriptions in the "Scope of the Reviews" section of this notice, *supra*, and sold in the home market during the POR, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales of cold-rolled carbon steel flat products. Likewise, we considered all corrosion-resistant carbon steel flat products produced by the respondents and sold in the home market during the POR to be foreign like products of corrosion-resistant carbon steel flat products sold in the United States. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed in Appendix III of the Department's September 14, 1995 antidumping questionnaire. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondent and verified by the Department. Where sales were made in the home market on a different weight

basis from the U.S. market (theoretical versus actual weight), we converted all quantities to the same weight basis, using the conversion factors supplied by the respondents, before making our fair-value comparisons.

Fair-Value Comparisons

To determine whether sales of certain cold-rolled and corrosion-resistant carbon steel flat products by the respondents to the United States were made at less than fair value, we compared EP (or CEP) to NV, as described in the "Export Price (or Constructed Export Price)" and "Normal Value" sections of this notice. In accordance with section 777A(d)(2), we calculated monthly weighted-average prices for NV and compared these to individual U.S. transactions.

Viability of Home Market

On March 25, 1996, the petitioners alleged that the Government of Korea controls steel prices in Korea and that the home-market prices reported by respondents are therefore not true market prices. Claiming that the home market was not "viable," the petitioners requested that the Department collect third-country sales information for each of the Korean respondents, and use the respondents' sales of subject merchandise to third countries for purposes of comparison with prices in the U.S. market.

On May 23, 1996, the Department issued a supplemental questionnaire to each of the respondents requesting detailed information relevant to the issue of the viability of the home market. On June 17, 1996, Dongbu, POSCO, and Union all submitted responses to the home-market viability questionnaire. These responses were subjected to thorough verification in Korea, as were the sales and cost responses.

The petitioners' allegations have presented the Department with new and complex issues as to whether the facts on the record of these administrative reviews describe a particular market situation in the exporting country, Korea, that does not permit a proper comparison with the export price or constructed export price. We have preliminarily determined that the home market is viable because the information submitted by the petitioners, and the questionnaire responses submitted by the respondents and verified by the Department, do not show that there is a particular market situation in Korea that warrants a determination of non-viability in this case. We note, however, that this is a new issue under the URAA that has not previously been addressed

and the Department will further analyze this issue before making its final determination. We intend to solicit additional information and arguments submitted on this issue.

Affiliated-Party Issue

On March 13 and April 15, 1996, petitioners alleged that, because Dongbu and Union purchase hot-rolled steel coils from POSCO for purposes of manufacturing certain cold-rolled and corrosion-resistant carbon steel products and because POSCO has a "close supplier relationship" with Dongbu and Union, the latter should be considered "affiliates" of POSCO within the meaning of section 771(33) of the Act (19 U.S.C. § 1677(33)). Petitioners therefore requested that the Department (1) collect information on the comparative prices Dongbu and Union paid POSCO and unaffiliated suppliers for hot-rolled steel coils in order to ascertain whether POSCO supplied this input to Union at "arm's-length" prices; and (2) require Dongbu and Union to submit cost-of-production ("COP") information on coil inputs purchased from POSCO in order to determine whether the transfer prices of hot-rolled steel coil from POSCO to Dongbu and Union were below or above POSCO's COP.

In addition, on May 7, 1996, petitioners alleged that Union is affiliated with POSCO not just through its close supplier relationship with the latter but also via indirect stock ownership.

On the basis of the information supplied by both petitioners and respondents, the Department has preliminarily determined that neither Dongbu or Union can be considered as "affiliates" of POSCO within the meaning of section 771(33) of the Act. See *Memorandum to Joseph A. Spetrini from Richard O. Weible* (September 6, 1996). The Department, therefore, did not request the respondents to provide the information that the petitioners had suggested.

Date of Sale

Depending on the channel of trade and on the date after which the key terms of sale could not be changed, we treated one of the following dates as the date of the sale: the date of the purchase order, the date of the internal confirmation, the date of the production order, or the date of shipment.

A. Dongbu

We used the date of shipment as the date of sale for home-market sales by Dongbu. For Dongbu's U.S. sales, we used the contract date or the purchase-

order date as the date of sale, depending on the channel of trade and on the date after which the key terms of sale could not be changed.

B. POSCO

We used the date of shipment as the date of sale for home-market sales by Pohang Coil Center Co., Ltd. ("PCC") and PSI because the key terms of the sale were subject to change before this date. We used the date of shipment as the date of sale for home-market sales of overrun merchandise by POSTEEL, Kyung Ahn Co. ("KA") (now known as "POSTEEL"), and Keo Yang Co., Ltd. ("KY") (now known as "POSTRAD") because the key terms of sale are fixed on that date. We used the date of purchase order as the date of sale for all POSCO sales, all POCOS sales, PSI's U.S. sales, and home-market sales of non-overrun merchandise by POSTEEL, KA, and KY because the key terms of sale were not subject to change after that date.

C. Union

We used the date of shipment as the date of sale for Union's home-market sales, and the contract date as the date of sale for Union's U.S. sales.

Export Price (or Constructed Export Price)

We calculated the price of United States sales based on EP, in accordance with section 772(a) of the Act, when the subject merchandise was sold to unaffiliated purchasers in the United States prior to the date of importation. In certain instances, however, we determined that CEP, as defined in section 772(b) of the Act, was a more appropriate basis for the price of United States sales. These instances involved sales made prior to importation where the merchandise was further processed by an outside contractor in the United States on a fee-for-service basis. In this case, the Department's determination was based on the following facts: (a) Union America ("UA") and later Dongkuk International ("DKA"), Union's sales office in the United States, was the importer of record and took title to the merchandise; (b) UA or DKA financed the relevant sales transactions; (c) UA arranged and paid for the further processing; and (d) UA or DKA assumed the seller's risk.

For all three respondents, we calculated EP based on packed prices to unaffiliated customers in the United States. Where appropriate, we made deductions from the starting price for foreign inland freight, foreign brokerage and handling, international freight, marine insurance, U.S. inland freight,

U.S. brokerage and handling, and U.S. Customs duties; we also added duty drawback to the starting price.

We calculated CEP based on packed prices to unaffiliated customers in the United States. Where appropriate, we made deductions from the starting price for foreign inland freight, foreign brokerage and handling, international freight, marine insurance, U.S. inland freight, U.S. brokerage and handling, U.S. Customs duties, commissions, credit expenses, warranty expenses, indirect selling expenses, and further processing in the United States; we also added duty drawback to the starting price. Finally, we made an adjustment for the amount of profit allocated to these expenses, in accordance with section 772(d)(3) of the Act.

Normal Value

Based on a comparison of the aggregate quantity of home-market and U.S. sales, we determined that the quantity of the foreign like product sold in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States, pursuant to section 773(a) of the Act. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade.

Where appropriate, we deducted rebates, discounts, inland freight (offset where applicable by freight revenue), inland insurance, and packing. We also deducted value-added tax ("VAT") since the reported gross unit price included VAT. Based on our verification of home-market sales responses, we made adjustments to NV, where appropriate, for differences in credit expenses (offset where applicable by interest income), post-sale warehousing, and for differences in weight basis. We also made adjustments, where appropriate, for home-market indirect selling expenses to offset U.S. commissions in EP and CEP comparisons.

In comparisons to EP and CEP sales, we also increased NV by U.S. packing costs in accordance with section 773(a)(6)(A) of the Act. We made adjustments to NV for differences in cost attributable to differences in physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act. In accordance with the Department's practice, where for the most similar product match the difference in merchandise adjustment for any product comparison exceeded

20 percent, we based NV on constructed value ("CV").

Differences in Levels of Trade

As set forth in section 773(a)(1)(B)(i) of the Act and in the Statement of Administrative Action which accompanied the passage of the URAA (H.R. Doc. No. 316, 103rd Cong., 2nd Sess. 829-831 (1994)) ("SAA"), to the extent practicable, the Department will calculate NV based on sales at the same level of trade as the U.S. sales. When the Department is unable to find sales in the comparison market at the same level of trade as the U.S. sale(s), the Department may compare sales in the U.S. and foreign markets at different levels of trade. *See also Final Determination of Sales at Less Than Fair Value: Certain Pasta from Italy* (61 FR 30326—June 14, 1996).

In accordance with section 773(a)(7)(A), if sales at different levels of trade are compared, the Department will adjust the NV to account for the difference in level of trade if two conditions are met. First, there must be differences between the actual selling functions performed by the seller at the level of trade of the U.S. sale and the level of trade of the normal-value sale. Second, the differences between the levels of trade must affect price comparability as evidenced by a pattern of consistent price differences between sales at the different levels of trade in the market in which NV is determined.

In order to determine that there is a difference in level of trade, the Department must find that two sales have been made at different phases of marketing, or the equivalent. Different phases of marketing necessarily involve differences in selling functions, but differences in selling functions (even substantial ones) are not alone sufficient to establish a difference in the level of trade. Similarly, seller and customer descriptions (such as "distributor" and "wholesaler") are useful in identifying different levels of trade, but are insufficient to establish that there is a difference in the level of trade.

A. Dongbu

In its questionnaire responses, Dongbu stated that there were no differences in its selling activities by customer categories within each market. In order independently to confirm the absence of separate levels of trade within or between the U.S. and home markets, we examined Dongbu's questionnaire responses for indications that Dongbu's functions as a seller differed qualitatively and quantitatively among customer categories. Where possible, we further examined whether

each selling function was performed on a substantial portion of sales. *See Proposed Regulations*, 61 FR at 7348.

Dongbu sold to local distributors, service centers, and end-users in the U.S. market. In the home market, Dongbu sold to local distributors, service centers, and end-users. Dongbu performed the same selling and marketing functions at the same stage of distribution on sales to all its home-market customers, as well as to U.S. customers. Thus, our analysis of the questionnaire response leads us to conclude that sales within or between each market are not made at different levels of trade. Accordingly, we preliminarily find that all sales in the home market and the U.S. market were made at the same level of trade. Therefore, all price comparisons are at the same level of trade and an adjustment pursuant to section 773(a)(7)(A) is unwarranted.

B. POSCO

In its questionnaire responses, POSCO stated that its home-market sales by affiliated service centers were at a different level of trade than its other home-market sales and its U.S. sales (regardless of the customer category). The respondent indicated that the service centers provide certain selling functions to all of their customers, while POSCO and its selling arms (e.g., POSTEEL, POCOS, and PSI) provide a different set of selling functions to all of their customers (including the service centers).

In order independently to confirm the presence of separate levels of trade within or between the U.S. and home markets, we examined POSCO's questionnaire responses for indications of substantive differences in selling and marketing functions, and reviewed this issue during the sales verification in Korea. Where possible, we further examined whether each selling function was performed on a substantial portion of sales. *See Proposed Regulations*, 61 FR at 7348.

At verification, the company did not adequately support its claim that the service centers perform selling functions which, on a qualitative and quantitative basis, are different from the functions performed on their U.S. sales. Thus, our analysis of the questionnaire responses leads us to conclude that sales within or between each market are not made at different levels of trade. Accordingly, we preliminarily find that all sales in the home market and the U.S. market were made at the same level of trade. Therefore, all price comparisons are at the same level of trade and an

adjustment pursuant to section 773(a)(7)(A) is unwarranted.

C. Union

In its questionnaire responses, Union stated that there were no differences in its selling activities by customer categories within each market. In order independently to confirm the absence of separate levels of trade within or between the U.S. and home markets, we examined Union's questionnaire responses for indications that Union's functions as a seller differed, qualitatively and quantitatively, among customer categories. Where possible, we further examined whether each selling function was performed on a substantial portion of sales. *See Proposed Regulations*, 61 FR at 7348.

Union sold to unrelated distributors and end-users in the U.S. market. In the home market, Union sold to unrelated distributors and end-users and to related distributors for sale to unrelated end-users. Union performed the same selling and marketing functions at the same stage of distribution on sales to all its home-market customers, as well as to U.S. customers. In identifying the level of trade for CEP sales, we considered only the selling activities reflected in the U.S. price after deduction of expenses and profit under section 772(d) of the Act. Pursuant to section 773(a)(1)(B)(i) of the Act, we consider the selling functions reflected in the starting price of home-market sales before any adjustments. Our analysis of the questionnaire response leads us to conclude that sales within and between each market are not made at different levels of trade. Accordingly, we preliminarily find that all sales in the home market and the U.S. market were made at the same level of trade. Therefore, all price comparisons are at the same level of trade and an adjustment pursuant to section 773(a)(7)(A) is unwarranted.

Cost-of-Production Analysis

Based on the fact that the Department had disregarded certain sales by POSCO in the original LTFV investigations because they were made below the COP, the Department found reasonable grounds in these reviews, in accordance with section 773(b)(2)(A)(ii) of the Act, to believe or suspect that POSCO made sales in the home market at prices below the cost of producing the merchandise. In addition, petitioners alleged, on January 16, 1996 (with respect to Dongbu), and January 17, 1996 (with respect to Union), that Dongbu and Union sold certain cold-rolled and corrosion-resistant carbon steel flat products in the home market at prices

below COP. Based on these allegations, the Department determined, on January 26, 1996 (for Dongbu), and on January 29, 1996 (for Union), that it had reasonable grounds to believe or suspect that Dongbu and Union had sold the subject merchandise in the home market at prices below the COP. We therefore initiated cost investigations with regard to Dongbu, POSCO, and Union in order to determine whether the respondents made home-market sales during the POR at prices below their COP within the meaning of section 773(b) of the Act.

Before making any fair-value comparisons, we conducted the COP analysis described below.

A. Calculation of COP

We calculated the COP based on the sum of each respondent's cost of materials and fabrication for the foreign like product, plus amounts for home-market selling, general, and administrative expenses ("SG&A"), and packing costs in accordance with section 773(b)(3) of the Act.

1. Dongbu

Based on our verification of Dongbu's cost responses, we revised Dongbu's general and administrative expense ("G&A") factor to exclude foreign exchange translation gains and losses not related to the production of the subject merchandise. We reduced Dongbu's cost of sales amount by 1994 scrap revenue that the company used to offset manufacturing costs.

2. POSCO

Based on our verification of POSCO's cost responses, we revised the value of substrate sold by POSCO to POCOS, PSI and PCC. We used the higher of the cost of the substrate, the transfer price or the fair value.

- For certain POCOS and POSCO control numbers, we revised the cost of manufacturing ("COM") to reflect differences in quality and coating weight production costs.

- We included donations and prior-period severance benefits in G&A, and excluded from G&A gains and losses from the disposition of securities as well as rental income.

- We revised the interest expense calculation to reflect the consolidated interest expense of POSCO, deferred foreign-exchange losses, and gains and losses from the translation of loans payable denominated in foreign currencies.

3. Union

Based on our verification of Union's cost responses, we adjusted Union's reported COP to reflect certain

adjustments to the COM, G&A, and indirect selling expenses:

- We increased Union's reported COM by the unreconciled difference between total production cost and reported production cost.
- We revised Union's submitted G&A factor to exclude foreign exchange gains and losses not related to the production of the subject merchandise, and to exclude securities disposal loss, dividend income and rental income because they related to investment activities unassociated with the production of the subject merchandise.
- We reduced Union's reported cost of sales amounts by 1994 scrap revenues that Union used to offset manufacturing costs.
- We combined net interest expenses for Union and its related parties DKI and the Dongkuk Steel Mill group ("DSM") because DSM's ownership interest in Union and DKI places it, as the parent company, in a position to influence Union's financial borrowing and overall capital structure of the DSM *chaebol*.
- We included foreign currency gains and losses that related to long-term debt in Union's financing expense and reduced Union's cost of sales by scrap revenue.

B. Test of Home-Market Prices

We used the respondent's weighted-average COP, as adjusted (see above), for the period July 1994 to June 1995. We compared the weighted-average COP figures to home-market sales of the foreign like product as required under section 773(b) of the Act. In determining whether to disregard home-market sales made at prices below the COP, we examined whether (1) within an extended period of time, such sales were made in substantial quantities, and (2) such sales were made at prices which permitted the recovery of all costs within a reasonable period of time. On a product-specific basis, we compared the COP to the home-market prices (not including VAT), less any applicable movement charges, discounts, and rebates.

C. Results of COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the POR were at prices less than the COP, we found that sales of that model were made in

"substantial quantities" within an extended period of time, in accordance with sections 773(b)(2) (B) and (C) of the Act, and were not at prices which would permit recovery of all costs within an extended period of time, in accordance with section 773(b)(2)(D) of the Act. When we found that below-cost sales had been made in "substantial quantities" and were not at prices which would permit recovery of all costs within a reasonable period of time, we disregarded the below-cost sales in accordance with section 773(b)(1) of the Act. Where all sales of a specific product were at prices below the COP, we disregarded all sales of that product, and calculated NV based on CV.

D. Calculation of CV

In accordance with section 773(e) of the Act, we calculated CV based on the sum of respondents' cost of materials, fabrication, SG&A, U.S. packing costs, interest expenses, and profit. In accordance with sections 773(e)(2)(A), we based SG&A and profit on the amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. For selling expenses, we used the weighted-average home-market selling expenses. Based on our verification of the cost responses submitted by Dongbu, POSCO, and Union, we adjusted each company's reported CV to reflect adjustments to COM and G&A, as detailed in the "Calculation of COP" section of this notice. We also made adjustments, where appropriate, for home-market indirect selling expenses to offset U.S. commissions in EP and CEP comparisons.

Currency Conversion

For purposes of the preliminary results, we made currency conversions based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank of New York. Section 773A(a) directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a "fluctuation." In accordance with the Department's practice, we have determined that a fluctuation exists when the daily exchange rate differs from a benchmark by 2.25 percent. *See, e.g., Certain Stainless Steel Wire Rods from France: Preliminary Results of Antidumping Duty Administrative Review* (61 FR 8915, 8918—March 6, 1996). The benchmark is defined as the rolling average of rates for the past 40 business days. When we determined a fluctuation existed, we substituted the

benchmark for the daily rate. However, for the preliminary results we have not determined that a fluctuation exists, and we have not substituted the benchmark for the daily rate.

Preliminary Results of the Reviews

As a result of these reviews, we preliminarily determine that the following weighted-average dumping margins exist:

Producer/manufacturer/exporter	Weighted-average margin (percent)
Certain Cold-Rolled Carbon Steel Flat Products	
Dongbu	0.10
Union	0.00
POSCO	0.19
Certain Corrosion-Resistant Carbon Steel Flat Products	
Dongbu	0.00
Union	1.28
POSCO	0.06

Parties to this proceeding may request disclosure within five days of publication of this notice and any interested party may request a hearing within 10 days of publication. 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. 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 of this notice. The Department will publish a notice of the final results of the administrative review, including its analysis of issues raised in any written comments or at a hearing, not later than 180 days after the date of publication of this notice.

Cash Deposit

The following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of certain cold-rolled and corrosion-resistant carbon steel flat products from Korea entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of these administrative reviews, as provided by section 751(a)(1) of the Act and 19 CFR 353.22: (1) The cash deposit rate for each respondent will be the rate established in the final results of these administrative reviews (except that no

deposit will be required for firms with zero or *de minimis* margins, i.e., margins lower than 0.5 percent; (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 these reviews, a prior review, or the original LTFV investigations, 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) the cash deposit rate for all other manufacturers or exporters will be 14.44 percent (for certain cold-rolled carbon steel flat products) and 17.70 percent (for certain corrosion-resistant carbon steel flat products, the "all others" rates established in the LTFV investigations. These 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 353.26 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.

These administrative reviews and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: September 25, 1996.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

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[A-421-804]

Certain Cold-Rolled Carbon Steel Flat Products From the Netherlands; 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 the respondent, Hoogovens Staal BV (Hoogovens), and from the petitioners in the original investigation, the