

"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)
<b>Certain Cold-Rolled Carbon Steel Flat Products</b>	
Dongbu .....	0.10
Union .....	0.00
POSCO .....	0.19
<b>Certain Corrosion-Resistant Carbon Steel Flat Products</b>	
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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BILLING CODE 3510-DS-P

#### [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

Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain cold-rolled carbon steel flat products from the Netherlands. This review covers one manufacturer/exporter, Hoogovens, and the period August 1, 1994 through July 31, 1995.

We preliminarily determine the dumping margin for Hoogovens to be 9.26 percent during the period August 1, 1994, through July 31, 1995. 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:**

Helen M. Kramer or Linda D. Ludwig, Enforcement Group III, 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 or (202) 482-3833, respectively.

**SUPPLEMENTARY INFORMATION:**

**The 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 Rounds 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 an antidumping duty order on certain cold-rolled carbon steel flat products from the Netherlands on August 19, 1993 (58 FR 44172). The Department published a notice of "Opportunity to Request an Administrative Review" of the antidumping duty order for the 1994/95 review period on August 1, 1995 (60 FR 39150). On August 29, 1995, Hoogovens requested that the Department conduct an administrative review of the antidumping duty order on cold-rolled carbon steel flat products from the Netherlands. The petitioners made a similar request on August 31, 1995. We initiated the review on September 8, 1995 (60 FR 46817).

On February 15, 1996, the petitioners requested that the Department determine, in accordance with section

751(a)(4) of the Act, whether antidumping duties have been absorbed by Hoogovens during the period of review ("POR"). Section 351.213(j) of the Department's draft regulations provides that, for transition orders as defined in section 751(c)(6)(C) of the Act, *i.e.*, orders in effect as of January 1, 1995, 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. 61 FR 7317, 7366 (February 27, 1996). Although these 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 new statute. This approach assures that, prior to the time for sunset review under section 751(c), interested parties will still have the opportunity to request a duty absorption study on orders for which the second and fourth anniversaries have already passed.

Because the order being reviewed here has been in effect since 1993, this is a review of a transition order. Therefore, based on the policy stated above, the Department will first consider a request for an absorption study if a review is initiated in 1996.

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 April 1, 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.

The Department is now conducting this administrative review in accordance with section 751 of the Act.

**Scope of the Review**

The products covered by this review include 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. These HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

**Verification**

As provided in section 782(i)(3) of the Act, we verified information provided by Hoogovens and its U.S. affiliate, Rafferty-Brown Steel Co., Inc. of Connecticut, 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 normal value and export price (EP) of each entry of subject merchandise during the relevant review period, and the normal value and constructed export price (CEP) of each sale to the first unaffiliated customer in

the United States during the extended window period.

Based on a comparison of the aggregate quantity of home market and U.S. sales, we determined that the quantity of 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 normal value (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. We determined that Hoogovens need not report its home market sales made by an affiliated party to the first unaffiliated customer (downstream sales), because these sales were small. (See Memorandum for the File, November 8, 1995.) We used sales to affiliated customers only where we determined such sales were made at arm's-length prices, *i.e.*, at prices comparable to prices at which the respondent sold identical merchandise to unrelated customers. There were no allegations of below-cost sales in the home market.

#### Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by the respondent covered by the description in the Scope of the Review section, above, 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. 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.

#### Fair Value Comparisons

To determine whether sales of certain cold-rolled carbon steel flat products by Hoogovens to the United States were made at less than fair value, we compared EP or CEP to NV, as described in the United States 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. In

accordance with section 773(a)(4) of the Act, we used constructed value (CV) as the basis for NV when there were no contemporaneous sales of the foreign like product in the comparison market. All the sales to which CV was applied were CEP sales of secondary merchandise. We calculated CV in accordance with section 773(e) of the Act and the methodology enunciated in the Memorandum of April 19, 1995, entitled *Treatment of Non-Prime Merchandise for the First Administrative Review of Certain Carbon Steel Flat Products*. We included the cost of manufacture, and selling, general and administrative expenses (SG&A). In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses on the amounts incurred 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 comparison market. For selling expenses, we used the weighted average home market selling expenses. There were no adjustments to CV for differences in circumstances of sale.

#### United States Price (USP)

For the price to the United States, we used export price (EP) or constructed export price (CEP) as defined in sections 772(a) and 772(b) of the Act, as appropriate. All of the CEP sales were further manufactured in the United States.

We calculated EP and CEP based on the packed, delivered, duty-paid price to unaffiliated customers in the United States. We made deductions for movement expenses (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) in accordance with section 772(c)(2)(A) of the Act. For EP sales, we made deductions from the gross unit price for discounts where applicable. We accounted for post-sale price adjustments for individual sales (reported in the "Other Discounts" field) by reducing or increasing the gross unit price, as appropriate. In accordance with section 772(d)(1) of the Act and the Statement of Administrative Action (SAA) (at 823-824), we calculated the CEP by deducting discounts, selling expenses associated with economic activities occurring in the United States, including commissions, credit expenses, and indirect selling expenses, inventory carrying costs and repacking expenses. In accordance with section 772(d)(2) of the Act, we also deducted the cost of

further manufacturing. Finally, we made an adjustment for an amount of profit allocated to these expenses in accordance with section 772(d)(3) of the Act. No other adjustments to EP or CEP were claimed or allowed.

#### Normal Value

Home market prices were based on the packed, ex-factory or delivered prices to affiliated or unaffiliated customers and were reported net of value added tax. We deducted packing and movement expenses in accordance with sections 773(a)(6) (A) and (B) of the Act. We made adjustments, where appropriate, for discounts, rebates and post-sale price adjustments. In comparisons to EP and CEP sales, we also 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 and increased NV by U.S. packing costs in accordance with section 773(a)(6)(A) of the Act.

As set forth in section 773(a)(1)(B)(i) of the Act and in the SAA at 829-831, to the extent practicable, the Department will calculate NVs 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. sales, 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) (*Pasta from Italy*).

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 NV sale. Second, the difference 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 its response to Section A of the questionnaire, Hoogovens stated that it made sales in the U.S. and home markets at two distinct levels of trade: (1) sales to end-user customers, and (2) sales to steel service centers. In its Section B response, Hoogovens explained that it cannot differentiate among the selling functions performed and services offered to the different classes of home market or export price customers during the POR. Consequently, Hoogovens could not

meet the Department's test and did not claim a level of trade adjustment with respect to its EP sales in this review. Hoogovens reported these sales using the code "1" in the CUSTLOTH and CUSTLOTU fields. However, Hoogovens argued that all of its home market sales used as the basis of NV involved the performance of various selling activities, many of which are not accounted for by the direct selling expense adjustment to NV. Therefore, Hoogovens claimed, there is no home market equivalent to the CEP and Hoogovens requested that the Department make an adjustment to NV for indirect selling expenses up to the amount of indirect selling expenses deducted from CEP. Hoogovens reported CEP sales using the code "2" in the CUSTLOTU field.

During verification, the team interviewed Hoogoven's Senior Sales Executive for Stripmill Products regarding services provided to different categories of customers. He explained that the company provides the same types of services to all customers in all markets. See the public version of the verification report, p. 10. 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 considered the selling functions reflected in the starting price of the home market sales before any adjustments. Based on our analysis, we preliminarily find that no level of trade differences exist between any sales in either the home market or the U.S. market. Therefore, all price comparisons are at the same level of trade, and neither an adjustment pursuant to section 773(a)(7)(A), nor a circumstances of sale adjustment in accordance with section 773(a)(6)(C)(iii) of the Act and 19 C.F.R. 353.56, is warranted.

#### 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) of the Act 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. The benchmark is defined as the rolling average of rates for the past 40 business days. When we

determine a fluctuation existed, we substitute 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.

#### Reimbursement

Section 353.26 of the antidumping regulations requires the Department to deduct from the United States price the amount of any antidumping duty that a producer or reseller either pays directly on behalf of the importer or reimburses to the importer. Based on verified evidence on the record in this review, the Department has preliminarily determined that Hoogovens has agreed to reimburse Hoogovens Steel USA, Inc. (formerly N.V.W. (USA), Inc.), the importer of record, for antidumping duties to be assessed, and has reimbursed Hoogovens Steel for antidumping duty cash deposits made on entries during the POR. Therefore, the regulation applies.

#### Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following weighted-average dumping margin exists:

Manufacturer/ exporter	Period	Margin (per- cent)
Hoogovens Staal BV.....	8/1/94-7/31/95	9.26

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. The Department will publish a notice of the final results of the administrative review, which will include the results of its analysis of issues raised in any such written comments or at the hearing, within 180 days from the issuance of these preliminary results.

The Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. Individual differences between USP and NV, taking into account reimbursed

duties, may vary from the percentage stated above. The Department will issue appraisement instructions directly to Customs. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties.

The following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of certain cold-rolled carbon steel flat products from the Netherlands entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act and 19 CFR 353.26: (1) the cash deposit rate for Hoogovens will be the rate established in the final results of this administrative review; (2) if the exporter is a firm not covered in this review, but the manufacturer is Hoogovens, the cash deposit rate will be that established for Hoogovens in the final results of this review; and (3) if neither the exporter nor the manufacturer is a firm covered in this review, the cash deposit rate will be 19.32 percent, the "all others" rate established after remand in the LTFV investigation.

These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This administrative review and notice are in accordance with section 751(a)(1) of the Act and 19 CFR 353.22.

Dated: September 27, 1996.

Barbara R. Stafford

*Acting Assistant Secretary for Import Administration.*

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#### [A-122-822; A-122-823]

#### **Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Canada: 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 interested parties, the Department of Commerce (the Department) is conducting administrative reviews of the antidumping duty orders on certain corrosion-resistant carbon steel flat