

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 appraisal 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

products and certain cut-to-length carbon steel plate from Canada. These reviews cover four manufacturers/exporters of the subject merchandise to the United States and the period August 1, 1994 through July 31, 1995.

We have preliminarily determined that sales have been made below normal value ("NV") by various companies subject to these reviews. If these preliminary results are adopted in our final results of these administrative reviews, we will instruct U.S. Customs to assess antidumping duties based on the difference between the export price ("EP") or constructed export price ("CEP") and the NV.

EFFECTIVE DATE: October 4, 1996.

FOR FURTHER INFORMATION CONTACT: Robert Bolling (Continuous Colour Coat ("CCC")), Eric Johnson (Dofasco Inc. and Sorevco Inc. ("Dofasco")), Daniel Miller (Algoma, Inc. ("Algoma")), N. Gerard Zapiain (Stelco, Inc. ("Stelco")), or Jean Kemp, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3793.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the statute refer 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

On August 19, 1993, the Department published in the Federal Register (58 FR 44162) the antidumping duty orders on certain corrosion-resistant carbon steel flat products and certain cut-to-length carbon steel plate from Canada. On August 29, 1995, Algoma (cut-to-length steel plate) requested review of its exports of subject merchandise. On August 31, 1995, the following companies also requested reviews for their exports of subject merchandise: CCC (corrosion-resistant steel), Dofasco (corrosion-resistant steel), and Stelco (corrosion-resistant steel and cut-to-length steel plate). Manitoba Rolling Mills ("MRM") also requested a review, but subsequently withdrew its request. We therefore terminate MRM's review with this notice. On August 31, 1995,

Bethlehem Steel Corporation, U.S. Steel Group (a Unit of USX Corporation), Inland Steel Industries Inc., Gulf States Steel Inc. of Alabama, Sharon Steel Corporation, Geneva Steel, and Lukens Steel Company, petitioners, requested reviews of the above four respondents (but not MRM) and both classes or kinds of merchandise. On September 9, 1995, in accordance with 19 CFR 353.22(c), we initiated administrative reviews of these orders for the period August 1, 1994, through July 31, 1995 (60 FR 46818).

On February 28, 1996, the petitioners requested that the Department determine whether antidumping duties had been absorbed by Algoma, Dofasco, and Stelco (for corrosion-resistant only) during the POR, pursuant to section 751(a)(4) of the Act. Section 751(a)(4) provides that the Department, if requested, will determine during an administrative review initiated two years or four years after publication of the order 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.

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 proposed regulations provides that the 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 corrosion-resistant carbon steel flat products and cut-to-length carbon steel plate from Canada have been in effect since 1993, these are transition orders. Therefore, based on the policy stated

above, the Department will first consider a request for a duty absorption determination for reviews of these orders initiated in 1996. Because this review was initiated in 1995, we have not considered the issue of absorption in this review. However, if requested, we will do so in the next review.

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 the preliminary and final results in this case. *See Extension of Time Limit for Antidumping Duty Administrative Reviews*, 61 FR 14291 (1996). The new deadline for the final results of review is April 2, 1997.

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

Scope of Reviews

The products covered by these administrative reviews constitute two separate "classes or kinds" of merchandise: (1) certain corrosion-resistant steel and (2) certain cut-to-length plate.

The first class or kind, certain corrosion-resistant steel, includes 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 Harmonized Tariff Schedule (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 non-rectangular 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 beveled 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 description remains dispositive.

The second class or kind, certain cut-to-length plate, includes hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7208.31.0000, 7208.32.0000, 7208.33.1000, 7208.33.5000, 7208.41.0000, 7208.42.0000, 7208.43.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000,

7211.11.0000, 7211.12.0000, 7211.21.0000, 7211.22.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included are flat-rolled products of non-rectangular 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 beveled or rounded at the edges. Excluded is grade X-70 plate. These HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

The period of review (POR) is August 1, 1994, through July 31, 1995.

Verification

As provided in section 782(i) of the Act, we verified information provided by 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.

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 subject merchandise to the United States were made at less than fair value, we compared the EP or CEP to the NV, as described in the "Export Price and 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.

Export Price and Constructed Export Price

For calculation of the price to the United States, we used EP, in accordance with subsections 772(a) and (c) of the Act where the subject merchandise was sold directly or indirectly to the first unaffiliated purchaser in the United States prior to importation and CEP was not otherwise warranted based on the facts of record. In addition, we used CEP in accordance with subsections 772 (b), (c), and (d) of the Act, as appropriate, for those sales that took place after importation into the United States.

Algoma

The Department calculated EP for Algoma. EP was based on packed, prepaid or delivered prices to customers in the United States. We made adjustments to the starting price for movement expenses (foreign and U.S. movement, brokerage and handling, and U.S. Customs duties).

We used Algoma's date of invoice as the date of sale for both U.S. sales and home market sales because that was the date when price and quantity are fixed.

CCC

The Department calculated EP for CCC. EP was based on packed, prepaid or delivered prices to customers in the United States.

We made deductions to the starting price for movement expenses (foreign movement, brokerage and handling, and U.S. Customs duties), and for discounts and rebates.

We used CCC's date of invoice as the date of sale for U.S. sales because that was the date when price and quantity were fixed.

Dofasco

For purposes of these reviews, we treated Dofasco, Inc. and Sorevco, Inc. as one respondent (*see Certain Corrosion Resistant Carbon Steel Flat Products from Canada; Final Determination of Sales at Less than Fair Value*, 58 FR 37099 (1993), and *Preliminary Results of Antidumping Duty Administrative Review*, 60 FR 42511 (1995)). These companies have submitted no information which would cause us to question that treatment. The Department calculated EP for Dofasco. EP was based on packed prices to customers in the United States.

We made deductions to the starting price for discounts, a rebate, movement expenses, and U.S. Customs duty and brokerage. As in the prior review, U.S. further processing expenses for certain sales have not been treated as part of the export price.

For Dofasco, Inc., we used the date of order acknowledgment as date of sale for all sales in both the U.S. and the home market (except sales made pursuant to long-term contracts) because this was the time at which price and quantity were fixed. For Dofasco, Inc.'s sales made pursuant to long-term contracts, we used date of the contract as date of sale because the contract terms fixed price and quantity.

For Sorevco, Inc., we used the date of order confirmation as the date of sale because both price and quantity are fixed in its order acknowledgments. When Sorevco shipped more merchandise than the customer ordered, but which the customer accepted, and such overages were in excess of accepted industry tolerances, we used date of shipment as date of sale for the excess merchandise.

Stelco

Corrosion-resistant products: We calculated EP or CEP, as appropriate, based on the packed price to unaffiliated purchasers in, or for exportation to, the United States. We made deductions to the starting price for movement expenses including freight, U.S. transportation expenses, brokerage and handling, U.S. Customs duties and warehousing.

In accordance with section 772(d)(1) of the Act and the Statement of Administrative Action (SAA) which accompanied the passage of the URAA (at 823-824), for CEP we also deducted selling expenses associated with economic activities occurring in the United States, including credit, technical services, other direct selling expenses, indirect selling expenses, and inventory carrying costs. Finally, we made an adjustment for an amount of profit allocated to these expenses in accordance with section 772(d)(3) of the Act.

We used Stelco's date of invoice as the date of sale for both EP and CEP corrosion-resistant sales because that was the date when price and quantity were fixed.

Plate: We calculated EP based on the packed price to unaffiliated purchasers in, or for exportation, to the United States. We made deductions for movement expenses including foreign movement, brokerage and handling, U.S. Customs duty and warehousing. We made no other adjustments for EP.

We used the date of invoice as the date of sale for plate sales because that was the date when price and quantity were fixed.

Normal Value

The Department determines the viability of the home market as the comparison market by comparing the aggregate quantity of home market and U.S. sales. We found that each company's quantity of sales in its home market exceeded five percent of its sales to the U.S. Moreover, there is no evidence on the record supporting a particular market situation in the exporting country that would not permit a proper comparison of home market and U.S. prices. We, therefore, have determined that each company's home market sales are viable for purposes of comparison with 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 prices at which the foreign like products were first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade.

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 firm sold identical merchandise to unrelated customers.

Because the Department disregarded sales below the cost of production ("COP") in the last completed review with respect to CCC and Stelco for both the classes or kinds of merchandise under review (*see Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate from Canada; Final Results of Antidumping Duty Administrative Reviews* 61 FR 13815 (March 28, 1996)), we had reasonable grounds to believe or suspect that sales of the foreign like product under consideration for the determination of NV in this review may have been made at prices below the COP as provided by section 773(b)(2)(A)(ii) of the Act. Therefore, pursuant to section 773(b)(1) of the Act, we initiated COP investigations of sales by CCC and Stelco in the home market. On January 11, 1996, petitioners alleged that Algoma and Dofasco made home market sales of subject merchandise below COP. On January 26, 1996, we initiated COP investigations of sales by Algoma and Dofasco.

We compared sales of the foreign like product in the home market with the model-specific cost of production figure for the POR ("COP"). In accordance with section 773(b)(3) of the Act, we calculated the COP based on the sum of the costs of materials and fabrication employed in producing the foreign like product plus selling, general and

administrative (SG&A) expenses and all costs and expenses incidental to placing the foreign like product in condition packed and ready for shipment. In our COP analysis, we used home market sales and COP information provided by each respondent in its questionnaire responses.

After calculating COP, we tested whether home market sales of subject merchandise were made at prices below COP and, if so, whether they were made within an extended period of time in substantial quantities, at prices that did not permit recovery of all costs within a reasonable period of time. Because each individual price was compared against the POR-long average COP, any sales that were below cost were also not at prices which permitted cost recovery within a reasonable period of time. We compared model-specific COPs to the reported home market prices less any applicable movement charges, discounts, and rebates.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than COP, we did not disregard any below-cost sales of that product because the below-cost sales were not made in substantial quantities within an extended period of time. Where 20 percent or more of a respondent's sales of a given product during the POR were at prices less than the weighted-average COPs for the POR, we disregarded the below-cost sales because they were made within an extended period of time in substantial quantities in accordance with sections 773(b)(2) (B) and (C) of the Act, and were at prices which would not permit recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Act. Based on this test, we disregarded some below-cost sales with respect to all of the above companies and classes or kinds of merchandise.

In accordance with section 773(a)(1)(B)(i) of the Act, we based NV on sales at the same level of trade ("LOT") as the EP or CEP. If NV was calculated at a different level of trade, we made an additional adjustment, if appropriate and if possible, in accordance with section 773(a)(7) of the Act. (*See Level of Trade* below.)

In accordance with section 773(a)(4) of the Act, we used CV as the basis for NV when there were no usable sales of the foreign like product in the comparison market. We calculated CV in accordance with section 773(e) of the Act. We included the cost of materials and fabrication, SG&A expenses, and profit. In accordance with section 773(e)(2)(A) of the Act, we based SG&A

expenses 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.

Where appropriate, we made adjustments to CV in accordance with section 773(a)(8) of the Act and 19 CFR 353.56 for circumstance of sale (COS) differences. For comparisons to EP, we made COS adjustments by deducting home market direct selling expenses and adding U.S. direct selling expenses. For comparisons to CEP, we made COS adjustments by deducting home market direct selling expenses and adding U.S. direct selling expenses except those deducted from the starting price in calculating CEP pursuant to section 772(d) of the Act. We also made adjustments, where applicable, for home market indirect selling expenses to offset U.S. commissions in EP and CEP comparisons.

Algoma

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to unaffiliated purchasers (Algoma made no home market sales to affiliated parties), in accordance with 19 CFR 353.45(a). Home market prices were based on the packed, ex-factory or delivered prices to unaffiliated purchasers in the home market. We deducted discounts and rebates. We made adjustments, where applicable, for differences in packing and movement expenses in accordance with sections 773(a)(6) (A) and (B) of the Act. We also made adjustments 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 for differences in circumstances of sale ("COS") in accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. For comparison to EP, we made COS adjustments by deducting home market direct selling expenses and adding U.S. direct selling expenses. These included direct selling expenses (credit and warranty) in the home market and credit and warranty expenses in the U.S. market. When comparisons were made to EP sales on which commissions were paid, we made adjustments for home market indirect selling expenses to offset these U.S. commissions.

CCC

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home

market prices to affiliated or unaffiliated parties, in accordance with 19 CFR 353.45(a). Home market prices were based on the packed, ex-factory or delivered prices to affiliated or unaffiliated purchasers in the home market. We made adjustments, where applicable, for packing and movement expenses in accordance with sections 773(a)(6) (A) and (B) of the Act. We adjusted for discounts and rebates. We also made adjustments 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 for COS differences in accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. For comparison to EP, we made COS adjustments by deducting home market direct selling expenses (credit) and adding U.S. direct selling expenses (credit). When comparisons were made where commissions were paid on EP sales, we made adjustments for home market indirect selling expenses to offset U.S. commissions.

Dofasco

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to affiliated (when made at prices determined to be arm's-length) or unaffiliated parties, in accordance with 19 CFR 353.45(a). Home market prices were based on the packed, ex-factory or delivered prices to affiliated or unaffiliated purchasers in the home market. We deducted discounts and rebates. We made adjustments, where applicable, for packing and movement expenses in accordance with sections 773(a)(6) (A) and (B) of the Act. We also made adjustments 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 for COS differences in accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. For comparison to EP, we made COS adjustments by deducting home market direct selling expenses (credit, royalties and warranty expenses) and adding U.S. direct selling expenses (credit, royalties and warranty expenses). When comparisons were made where commissions were paid on EP sales, we made adjustments for home market indirect selling expenses to offset U.S. commissions.

Stelco

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to affiliated or unaffiliated parties, in accordance with 19 CFR 353.45(a). Home market prices were

based on the packed, ex-factory or delivered prices to affiliated or unaffiliated purchasers in the home market. We made deductions for discounts and rebates. We made adjustments, where applicable, for packing and movement expenses, in accordance with sections 773(a)(6) (A) and (B) of the Act. We also made adjustments 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 for COS differences in accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56.

Corrosion resistant steel: We adjusted home market prices for interest revenue on certain sales to one customer. For comparison to EP, we made COS adjustments by deducting home market direct selling expenses (credit, warranties, technical services) and adding U.S. direct selling expenses (credit, technical services and other direct selling expenses). For comparisons to CEP, we made COS adjustments by deducting home market direct selling expenses and adding U.S. direct selling expenses except those deducted from the starting price in calculating CEP pursuant to section 772(d) of the Act.

Plate: For comparison to EP, we made COS adjustments by deducting home market direct selling expenses (commissions, credit, warranties, technical services) and adding U.S. direct selling expenses (credit, technical services and other direct selling expenses).

Level of Trade ("LOT")

As set forth in section 773(a)(1)(B)(i) of the Act and in the SAA accompanying the URAA at 829–831, to the extent practicable, the Department will calculate NV based on sales at the same level of trade as the U.S. sale. When the Department is unable to find sale(s) 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 a different level of trade. *See 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) of the Act, if we compare U.S. sales at one level of trade to NV sales at a different level of trade, 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 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.

When CEP is applicable, section 773(a)(7)(B) of the Act establishes the procedures for making a CEP offset when: (1) NV is at a more advanced level of trade, and (2) the data available does not provide an appropriate basis for a level of trade adjustment.

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.

In implementing this principle in these reviews, we obtained information about the selling activities of the producers/exporters associated with each phase of marketing, or the equivalent. We asked each respondent to establish any claimed LOTs based on these marketing activities and selling functions.

In reviewing the selling functions reported by the respondents, we considered all types of selling activities that had been performed on both a qualitative and quantitative basis. In analyzing whether separate LOTs existed in these reviews, we found that no single selling activity in the flat-rolled steel industry was sufficient to warrant a separate LOT (see *Proposed Regulations*, 61 FR, at 7348).

To test the claimed LOTs, we analyzed the selling activities associated with the classes of customers and marketing phases respondents reported. In applying this test, we expect that, if claimed LOTs are the same, the functions and activities of the seller should be similar. Conversely, if a party claims that LOTs are different for different groups of sales, the functions and activities of the seller should be dissimilar. The Department does not only count activities, but weighs the overall function performed by each claimed level of trade. In determining whether separate LOTs existed in the home market, 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 adjustment. In identifying the LOT 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.

Algoma

Algoma reported one LOT and one channel of distribution with two classes of customers: end-users and steel service centers (SSCs) in both the home market and the United States. Algoma sells all of its material directly to the customer. Every order is custom made. We examined the selling functions performed for both classes of customers in both markets. We found that Algoma's selling activities were substantially similar for both classes of customers for sales of subject merchandise and, therefore, warrant one level of trade. Thus, no adjustment was appropriate.

CCC

CCC reported three different LOTs in the home market: original equipment manufacturers (OEMs), steel service centers, and scrap merchants. However, we examined and verified the reported selling functions and found that CCC provides the same selling functions to its home market customers regardless of distribution level, marketing phase, or the equivalent. Overall, we determine that the selling functions between the reported LOTs are sufficiently similar to consider them as one LOT in the comparison market.

CCC stated that it sells to two LOTs in the United States: OEMs and steel service centers. Again, we examined the selling functions at both claimed levels, and found they were the same. Therefore, we determine that the selling functions between the reported LOTs are sufficiently similar to consider them as one LOT in the United States market. Finally, we compared the selling functions performed at the home market LOT and the LOT in the United States and found them substantially similar. Therefore, no adjustment is appropriate.

Dofasco

Dofasco reported four LOTs in the home market. Dofasco defined its LOT categories by customer category: service center, automotive, construction, and "others." We examined and verified the selling functions performed at each claimed level and found that, of 14 selling functions, the automotive and service center sales levels only overlapped with respect to two selling functions. Moreover, Dofasco has established a separate sales division for its automotive sales. Therefore, given

these types of differences, we conclude that these are separate levels of trade.

Between the automotive and construction sales channels, Dofasco performed only five of the same or similar selling functions. The activities differed with respect to numerous other activities. We have concluded that the extent of these similar selling activities, taken as a whole, is not sufficient to consider these the same level of trade.

Between the construction and service center sales channels, Dofasco performed eight of the same or similar selling functions. The activities differed in numerous other areas. Again, we do not conclude that the extent of these similar activities, taken as a whole, renders these the same level of trade.

However, between the construction and "other" sales channels, the selling functions performed overlapped with respect to eleven of the fourteen selling functions analyzed.

Overall, we determine that the selling functions between the construction and "other" sales channels are sufficiently similar to consider them a single LOT in the comparison market. For the automotive, service center, and construction/"other" customer categories, we determine that the selling functions between these sales channels are not sufficiently similar to consider them as the same LOT in the comparison market. Therefore, we determine that the automotive, service center, and construction/"other" customer categories should be treated as three LOTs in the comparison market.

Respondents reported four LOTs in the U.S. market: automotive, service center, construction, and "other." The only difference in selling functions between the comparison market and the U.S. market are as follows: for certain sales to construction customers in the U.S. market, one selling activity is offered which is not offered to home market construction customers; and for certain other sales to construction customers, there is one selling function which is not provided in the U.S. market but which is offered in the comparison market.

We determine that the results of our analysis of U.S. LOTs are identical to those of the comparison market—there are three LOTs in the U.S. market: automotive, service center, and construction/"other."

Stelco

Stelco identified one level of trade and two phases of marketing (to end-users or to resellers) in the home market for each class or kind of merchandise. We examined and verified the selling functions performed in each phase and

found that Stelco provided many of the same or similar selling functions in each, including: inventory maintenance, after sales service, technical advice, and freight and delivery arrangements. We found few differences between selling functions for transactions made through the two channels of trade and that Stelco's prices did not vary consistently based on the type of customer. Overall, we determine that the selling functions between the two sales channels are sufficiently similar to consider them one LOT in the comparison market for sales of both corrosion-resistant products and plate products.

In the United States, Stelco sold both products through one sales channel and to one class of customer: corrosion-resistant products were sold only to end users and plate products were sold to service centers in the United States. For EP sales, we determine that the results of our analysis of U.S. LOTs are identical to those of the comparison market: the selling functions performed for sales to the United States are sufficiently similar to consider them one LOT for both corrosion-resistant products and plate products. Additionally, we consider this LOT to be the same as that identified in the comparison market. Therefore, no adjustment is appropriate. For CEP sales, we compared the selling activities associated with the sale to the affiliated reseller to those associated with the home market level of trade and found them to be dissimilar. For example, the level of trade of the CEP sales involved no after sales services, or technical advice. Therefore, we considered the home market sales to be at a different level of trade and at a more advanced stage of distribution than the CEP. Because the sole home market level of trade was different from the level of trade of the CEP, we could not match to sales at the same level of trade in the home market nor could we determine a level-of-trade adjustment based on Stelco's home market sales of merchandise under review. Furthermore, we have no other information that provides an appropriate basis for determining a level-of-trade adjustment. Accordingly, for Stelco, we determined NV at the sole home market level of trade and made a CEP offset adjustment in accordance with section 773(a)(7)(b) of the Act.

Preliminary Results of Reviews

As a result of our reviews, we preliminarily determine the weighted-average dumping margins (in percent) for the period August 1, 1994, through July 31, 1995 to be as follows:

Manufacturer/Exporter	Margin (percent)
Corrosion-Resistant Steel:	
Dofasco	0.84
CCC	1.01
Stelco	0.45
Cut-to-Length Plate:	
Algoma	0.70
Stelco	0

Parties to this proceeding may request disclosure within 5 days of the date of publication of this notice. Any interested party may request a hearing within 10 days of the date of publication of this notice. Any hearing, if requested, will be held 44 days after the date of publication or the first business day thereafter. Case briefs and/or other written comments from interested parties may be submitted not later than 30 days after the date of publication. Rebuttal briefs and rebuttals to written comments, limited to issues raised in those comments, may be filed not later than 37 days after the date of publication of this notice. The Department will publish the final results of this 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.

Upon issuance of the final results of review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. Because the inability to link sales with specific entries prevents calculation of duties on an entry-by-entry basis, we will calculate an importer-specific *ad valorem* duty assessment rate for each class or kind of merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales made during the POR to the total customs value of the sales used to calculate those duties. This rate will be assessed uniformly on all entries of that particular importer made during the POR. (This is equivalent to dividing the total amount of antidumping duties, which are calculated by taking the difference between statutory NV and statutory EP or CEP, by the total statutory EP or CEP value of the sales compared, and adjusting the result by the average difference between EP or CEP and customs value for all merchandise examined during the POR).

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise 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:

(1) the cash deposit rates for the reviewed companies will be those rates established in the final results of these reviews (except that no deposit will be required for firms with zero or *de minimis* margins, *i.e.*, margins less 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 this review, a prior review, or the original less-than-fair-value ("LTFV") investigation, 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 continue to be the "all others" rate made effective by the final results of the 1993-1994 administrative reviews of these orders (see *Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Canada; Final Results of Antidumping Duty Administrative Reviews*, 61 FR 13815 (March 28, 1996)). As noted in those final results, these rates are the "all others" rates from the relevant LTFV investigations which were 18.71 percent for corrosion-resistant steel products and 61.88 percent for plate (see *Amended Final Determination*, 60 FR 49582 (September 26, 1995)). These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative reviews.

This notice also 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(c)(5).

Dated: September 25, 1996.

Robert S. LaRussa,
Acting Assistant Secretary for Import Administration.

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