DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–601]

Brass Sheet and Strip From Canada; Final Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Final Results of Antidumping Duty Administrative Review.

SUMMARY: On December 6, 1996, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on brass sheet and strip (BSS) from Canada (61 FR 64666). This review covers exports of this merchandise to the United States by one manufacturer/exporter, Wolverine Tube (Canada) Inc. (Wolverine), during the period January 1, 1995 through December 31, 1995. The review indicates the existence of no dumping margins.

We gave interested parties an opportunity to comment on our preliminary results. Based on our analysis of the comments received, we have changed our results from those published in the preliminary results.

EFFECTIVE DATE: April 8, 1997.

FOR FURTHER INFORMATION CONTACT: Maureen McPhillips or Linda Ludwig, Office of AD/CVD Enforcement, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–3019 or 482–3833, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Tariff Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act by the Uruguay Round Agreements Act. 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).

Scope of the Review

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

The physical dimensions of the products covered by this review are BSS of solid rectangular cross section over 0.006 inches (0.15 millimeters) through 0.188 inches (4.8 millimeters) in finished thickness or gauge, regardless of width. Coil, wound-on-reels (traverse wound), and cut-to-length products are included. These products are currently classifiable under Harmonized Tariff Schedule (HTS) subheadings 7409.21.00 and 7409.29.00. Although the HTS subheadings are provided for convenience and for Customs Service (Customs) purposes, the written description of the scope of this order remains dispositive.

Pursuant to the final affirmative determination of circumvention of the antidumping duty order, we determined that brass plate used in the production of BSS falls within the scope of the antidumping duty order on BSS from Canada. See Brass Sheet and Strip from Canada: Final Affirmative Determination of Circumvention of Antidumping Duty Order, 58 FR 33610 (June 18, 1993).

The review covers one manufacturer/exporter, Wolverine, and the period January 1, 1995 through December 31, 1995.

Analysis of Comments Received

On January 6, 1997, we received a case brief from the petitioners, Hussey Copper, Ltd., the Miller Company, Olin Corporation—Brass Group, Outokumpu American Brass, Revere Copper Products, Inc., International Association of Machinists and Aerospace Workers, International Union, Allied Industrial Workers of America (AFL–CIO), Mechanics Educational Society of America (Local 56), and the United Steelworkers of America (AFL–CIO/CLC). We received a rebuttal brief from the respondent, Wolverine, on January 13, 1997.

Comment 1: The petitioners challenge Wolverine's assertion that it sold its merchandise at three distinct levels of trade in its home market during the period of review (POR). According to the petitioners, the fact that Wolverine only provided information on selling (supporting) functions to two customer groups reflects the lack of evidence to distinguish general jobber distributors from processing distributors. The petitioners also contend that Wolverine failed to provide evidence to substantiate its assertion that sufficiently dissimilar selling functions were performed by the two remaining customer categories, distributors vs. OEMs. The petitioners maintain that Wolverine's own data show that OEMs and distributors purchased comparable quantities of reroll and non-reroll materials. Thus, according to the petitioners, there is no distinction in the level of trade based on the types of products purchased by Wolverine's customers.

In response to Wolverine's claim that OEM customers purchase cut-to-length material which requires a distinct packaging from coils because of its rectangular shape, the petitioners argue that the type of packing used is based on the form of the material, not the customer category. In addition, the petitioners point out that although Wolverine packs the subject merchandise for the U.S. and home market in four forms, it reported one packing cost by dividing total packing costs by the number of pounds shipped. The petitioners conclude that if Wolverine did not make a distinction among the forms when it reported its per-unit packing costs, the Department should not use differences in packing as the basis for distinguishing levels of trade.

The petitioners maintain that the information submitted by Wolverine does not show that it provided different technical services and product support for different level of customers. In fact, the petitioners point out that Wolverine, in its initial response to the Department's questionnaire, stated that it incurred no technical service expenses on its sales of the subject merchandise. Wolverine's assertion, in its supplemental questionnaire response, that it provides a higher level of product support to its OEM customers is not supported by evidence on the record in the petitioners' view. They point out that Wolverine's home market sales listing shows that both customer categories purchase products with identical physical characteristics and that the quantities purchased by Wolverine's OEM customers were comparable to, and sometimes greater than, those purchased by distributors.

As for Wolverine's contention that as one of the two remaining producers of brass sheet and strip in Canada, it is an established custom producer with an established client base, petitioners state that logically these established customers should not require technical/product support from Wolverine.

The petitioners state that Wolverine's claim that it provided a significantly

greater level of freight and delivery services to its OEM customers than to its distributor customers is not supported by Wolverine's reported inland freight expenses, which did not reflect a cost difference based on the customer category. In petitioners' view, the selection of different terms of delivery by the two customer categories is meaningless. Moreover, the fact that Wolverine is reimbursed by the customer for one shipment method and not another is irrelevant because, according to petitioners, Wolverine would simply pass on its freight expense in the form of higher prices.

Contrary to Wolverine's contention that it devotes more administrative resources (i.e., for traffic, sales, and accounting work) to its OEM customers, the petitioners assert that this is due to the volume of sales to that group and not the customized nature of the products sold to OEMs.

In response to Wolverine's argument that during the POR all of its return/credits were to OEM customers, the petitioners contend that Wolverine would follow the same return policy with distributors, and, therefore Wolverine's warranty policy is the same regardless of the customer category.

The petitioners state that Wolverine failed to differentiate the selling function it performed for its OEM and distributor customers, providing identical or similar services to its alleged two customer levels. The petitioners state that in Dynamic Random Access Memory Semiconductors of One Megabit or Above from the Republic of Korea: Preliminary Results of Antidumping Administrative Review, 61 FR 36029, 36031, 36032 (July 9, 1996) the Department identified one level of trade in the respondent's home market because the respondents' direct sales to its home market customers, whether made to OEMs or to distributors, included the same functions. Therefore, the petitioners conclude, the Department must deny Wolverine's claimed level-of-trade adjustment.

Wolverine counters that in its response to the Department's supplemental questionnaire, it provided substantial and detailed information that distinguished between sales made to customers in two distinct levels of trade, (i.e., original equipment manufacturers (OEMs) and distributors). The petitioners' arguments, according to Wolverine, are based exclusively on their own ''analysis'' of the Wolverine's submitted data, and rely on no other information in the record.

Wolverine states that the example cited by the petitioners to support their contention that both OEMs and distributors buy products made from non-reroll and reroll material, and thus, customer category is irrelevant, is consistent with its position that the OEM customer tends to purchase more re-rolled product compared to the distributor customer. Wolverine maintains that it is *not* contending that one customer group never purchases products from non-reroll material and the other customer group never purchases products made from reroll material, and vice versa. According to Wolverine, it has simply stated that when customers purchase heavy gauge material, the OEM customer is likely to require a more customized product, while the less demanding technical requirements of the distributor will typically allow the product to be produced from non-reroll material.

Wolverine contends that the petitioners have missed the point regarding the distinctions in packing and freight between the two customer groups. With respect to packing, Wolverine states that the Department allows packing adjustments only for costs directly attributable to the packing operation (i.e., materials, labor, and related overhead). According to Wolverine, the packing adjustment does not take into account other indirect expenses (e.g., the need to maintain inventories of different packing materials, to establish packing codes for different packing types, to track product packed differently through the production process, to institute different quality control and inspection standards, etc.). Wolverine concludes that the fact that having to manufacture and sell product in both cut-to-length and coil form requires Wolverine to provide other services to its customers in addition to those accounted for in the Department's packing cost adjustment.

Similarly, Wolverine contends that petitioners' conjecture that Wolverine is reimbursed for the freight costs that it incurs on sales that are sold on pre-paid and delivered terms is irrelevant because ''[T]he process of establishing whether separate levels of trade exist is distinct from both the margin calculation and the level of trade adjustment (see, Certain Pasta from Italy, Final Determination of Sales at Less-Than-Fair-Value, 61 FR 30326, 30338 June 6, 1996)(Pasta)).

Wolverine rejects the petitioners' argument that Wolverine's failure to request a circumstance-of-sale (COS) adjustment for differences in technical service expenses between the U.S. and home markets is evidence that the additional product support that Wolverine provides its OEM customers is irrelevant to the Department's level of trade analysis. Wolverine claims this is inconsistent with the requirements of the statute and the Department's policy. Wolverine states that in conducting its LOT analysis, the Department considers the specific types of sales functions and services that the producer provides to its customers and is not concerned with whether the particular service or function in question is sufficiently well-defined to rise to the level of a COS adjustment. According to Wolverine, the Department generally considers travel expenses and contract services as an example of a technical service eligible for a COS adjustment and the fact that it did not claim such expenses does not compromise the Department's ability to consider the higher level of product support that Wolverine provides to its OEM customers.

In regard to warranty expenses, Wolverine points out that the petitioners do not dispute the fact that all of Wolverine's home market warranty expenses were incurred on sales to OEM customers. In addition, Wolverine states that petitioners claim that Wolverine would incur the same warranty expenses with respect to distributors is pure speculation on their part.

Wolverine concludes that the petitioners have failed to identify any legitimate points that undermine the integrity of the Department's level-of-trade analysis and urges the Department to conduct the same analysis made in the Preliminary Results of this review.

Department's Position: We agree with the petitioners. Section 773(a)(7)(A) of the Act directs the Department to make an adjustment for differences in level of trade only if the following two conditions are met: (1) there is a difference in the levels of trade, involving the performance of different selling activities, and (2) the difference in level of trade affects price comparability, as demonstrated by a pattern of consistent price differences between the sales at the different levels of trade in the market in which normal value is determined.

In order to determine whether sales in the comparison market are at a different level of trade than the export price or CEP, we examine whether the comparison sales were at different stages in the marketing process than the export price or CEP. We make this determination on the basis of a review of the distribution system in the comparison market, including selling functions, class of customer, and the level of selling expenses for each type of sale. Different stages 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, while customer categories such as ''distributor'' and ''wholesaler'' may be useful in identifying different levels of trade, they are insufficient in themselves to establish that there is a difference in the level of trade. See Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate from Canada; Preliminary Results of Antidumping Duty Administrative Review, 61 FR 51891, 51896 (October 4, 1996); Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, et al., Final Results of Antidumping Duty Administrative Reviews, 62 FR 2081, 2105 (January 15, 1997) (AFBs VI).

While neither the statute nor the Statement of Administrative Action (SAA) defines level of trade, the structure of the relevant provision in the statute (section 773(a)(7)(A)) uses the term ''level of trade'' as a concept distinct from selling activities. Specifically, this sub-section allows for a level-of-trade adjustment where there is a difference in levels of trade and that difference ''involves'' the performance of different selling activities. The SAA (at 829) also ascribes a meaning to level of trade that suggests that an analysis of selling activities alone is insufficient to establish the level of trade by stating that two sales with some common selling activities could be at different levels of trade, See, e.g., AFBs VI, at 2107.

Although the customer type is an important indicator in identifying differences in levels of trade, the existence of different classes of customers is not sufficient to establish a difference in the levels of trade. Accordingly, we consider the class of customer as one factor, along with selling functions and the selling expenses associated with these functions, in determining the stage of marketing, *i.e.*, the level of trade associated with the sales in question, Id.

Although Wolverine has documented differences in costs between the selling activities performed for OEM customers and distributor customers, it has not made the requisite showing that there is a difference in the selling functions provided on sales to OEMs and sales to distributors. While Wolverine sells to different classes of customers, nothing on the record indicates that its sales are made at different marketing stages, as evidenced by an additional layer of selling activities provided to one customer category as opposed to the other. For example, Wolverine argues that the packing for OEM merchandise is more expensive than the packing needed for the merchandise sold to distributors. Since both OEM and distributors bought cut-to-length material and coils, the distinct packaging characteristics of each product do not distinguish Wolverine's OEM customers from its distributor customers. In addition, Wolverine reported only one per-unit packing cost for its four forms of packaging, implying that there was no significant difference between the packaging provided to the two different classes of customers.

Wolverine's statement in its original response to the Department's questionnaire that it incurred no technical service expenses on its sales of the subject merchandise does not support its claim of two different levels of trade based on the greater product support it offered to its OEM customers as opposed to that provided to its distributor customers. Furthermore, the fact that all three terms of payment (i.e., pre-paid and delivered, pre-paid and charged, collect) were not only available but used by both distributors and OEMs, does not support Wolverine's claim of two distinct levels of trade based on the terms each class of customer selects. Wolverine has also failed to claim any specific differences between the warranty policy offered to its OEM customers and that offered to its distributor customers.

Wolverine states that due to the customized nature of the products demanded by OEMs, it expends a greater proportion of the company's administrative resources (i.e., for traffic, sales, and accounting work) on OEM sales than it does for distributor sales. First, the relative time spent on servicing one customer type as opposed to another is not necessarily a basis for determining that there are different levels of trade, especially since Wolverine has not quantified these differences on a level-of-trade basis. Secondly, Wolverine's statement that it produces all brass sheet and strip material to order appears to contradict its implication that only the OEM merchandise is customized (see Supplemental Questionnaire Response, October 24, 1996, p. 8).

We note that Wolverine has demonstrated that there are some differences in the selling functions it performs for its OEM customers and those it performs for its distributor customers. However, the fact that there are two different classes of customers and that one class may sometimes require a greater degree of administrative resources or technical and product support, or more costly packing requirements and freight expenses on Wolverine's part, is not in itself sufficient to determine that there are different levels of trade. None of these services involve an additional layer of selling activity performed by Wolverine for sales of the subject merchandise to an OEM customer as opposed to a distributor customer. For example, if one class of customer required packaging for its merchandise and the other class required none, this may suggest that there is an additional layer of activity involved. As a further example, if Wolverine's OEM customer required technical training support, while its distributor customer provided its own technical training, this could also serve as support for an argument that the sale of the subject merchandise would occur at different marketing stages for the two classes of customers. Wolverine, however, has not established any such clear, quantifiable distinctions between its claimed levels of trade. Since it has not been established that different levels of trade exist, there is no need to determine whether there is a quantifiable price difference between levels of trade that would warrant an adjustment. Therefore, for these final results the Department has used home market sales to both OEMs and distributors for comparison purposes. This represents a change from our Preliminary Results.

Comment 2: The petitioners urge the Department not to use Wolverine's entire product control numbers to match Wolverine's U.S. and home market sales because Wolverine's product control numbering system includes an element in the third position that does not reflect the physical characteristics of the finished brass sheet and strip. Specifically, in petitioners' view, the alloy code in Wolverine's product coding system is *not* based exclusively on the physical characteristics (i.e., the chemical composition) of the finished brass sheet and strip, but is partially based on the source of the input materials that were used to produce the subject merchandise.

The petitioners question Wolverine's contention that the brass reroll stock it claims it purchases from unrelated suppliers in order to meet the requirements of low impurities and heavy gauges for certain applications undergoes a very high reduction which, in turn, imparts a uniform fine grain to the finished product. The petitioners cite an industry expert (see October 7, 1996 Letter from Copper & Brass Fabricators Council, Inc. to the Secretary of Commerce) who states that the distinction between non-reroll and

reroll material and the attendant claim of differing purity levels is incorrect and that regardless of whether brass sheet and strip is produced from non-reroll or reroll material, the product is identical in alloy, sold in the same markets, and consumed in the same end uses. The petitioners maintain that the industry expert's opinion is supported by Wolverine's reported sales data which shows that during the POR the same customers purchased brass sheet and strip from both reroll and non-reroll materials for their end uses. The petitioners state that even if Wolverine's claim that certain of its customers require brass sheet and strip of a finer grain size is true, this has no bearing on whether the finished product was produced from reroll or non-reroll materials because the same customers purchased brass sheet and strip made from reroll input materials and non-reroll input materials. Moreover, the petitioners assert that the grain sizes of finished brass sheet and strip depends on the rolling and annealing process used to produce the product, rather than the source of the raw materials. According to the petitioners, a reroll vs. non-reroll designation is redundant and does not serve to distinguish the physical characteristics of the finished brass sheet and strip and, therefore, must not be used as a criterion for matching purposes.

The petitioners note that Section 771(16)(A) of the Tariff Act of 1930, amended, defines the term ''foreign like product'' as ''the subject merchandise and other merchandise which is identical in *physical characteristics* with, and was produced in the same country by the same person as that merchandise.'' (emphasis added). The petitioners point out that the Department has conducted nine investigations of brass sheet and strip products from nine countries and has never considered the differentiation between reroll and non-reroll inputs in product matching. According to the petitioners, producers' selection of scrap materials and virgin materials for the production of brass sheet and strip depends largely on the availability and the cost of each raw material rather than physical property of the finished products.

The petitioners conclude that the Department, for this administrative review, must follow its stated practice of matching Wolverine's U.S. sales to foreign like products based on the physical characteristics of the finished brass sheet and strip, and thus, disregard the third position of Wolverine's reported product control numbers.

The respondent argues that the Department properly included all reported physical characteristics, including grain size, in its product comparisons. Respondent states that the petitioners themselves acknowledge that grain size is a relevant commercial factor for brass consumers, but appear to limit the Department's ability to account for grain size to the criteria contained in ASTM specifications. According to the respondent, nothing in the U.S. antidumping law or the Department's own regulations or precedents restricts the Department from using factors in addition to those specified by ASTM in determining appropriate product comparison criteria. The respondent maintains that it has repeatedly demonstrated to the Department's satisfaction that grain size differences are relevant to customers that require smooth polished surfaces in their finished products and that it can achieve this required quality product only with re-roll material. The respondent concludes, therefore, that Wolverine's product codes and control numbers which differentiate reroll and non-reroll material do properly reflect all relevant product characteristics.

The respondent terms the petitioners' argument that the same customers purchase brass sheet and strip made from both re-roll and non-reroll input materials irrelevant, stating that the same customers, at any given time, may require both reroll and non-reroll inputs, depending upon the desired grain quality required. Wolverine urges the Department to continue to use, in its final results, the same analysis with respect to re-roll products as was applied in the preliminary results.

Department's Position: Upon further study of the product code designations and the comments submitted by the interested parties, we do not feel that Wolverine has adequately made its case for the necessity or appropriateness of introducing an additional element in its product coding system which distinguishes reroll from non-reroll raw material input. In this instance, the reroll vs. non-reroll designation of the raw material input does not describe a physical difference in the finished product per se. This is a change from the preliminary results.

The Department does not normally consider the source of a given input material as a model match characteristic. For example, if two different plants supply a particular feedstock used in the production of a particular product, it is our longstanding practice to consider both feedstock materials to be identical, regardless of the difference in production costs. Similarly, we do not distinguish between two input materials if one feedstock is purchased and the other is produced internally. Thus, as a general matter, it would be inconsistent with the Department's practice to segregate reroll from non-reroll material on this basis alone.

Respondent appears to be trying to use the distinction between reroll and non-reroll material as a proxy for differences in grain size or purity of the finished product. While we agree that grain size or purity could potentially be a relevant commercial factor for brass sheet and strip consumers, respondent did not report information on either of these physical characteristics. Respondent provided no quantitative or statistical data describing differences in grain size or purity between various brass products, how these differences relate to customer requirements, or how these differences relate to the source of the raw material input (i.e., reroll vs. non-reroll).

Finally, Wolverine fails to distinguish, in any quantifiable way, how the reroll vs. non-reroll code designates a physical characteristic different from those codes assigned for temper and gauge.

Final Results of Review

As a result of our review, we have determined that no margin exists for Wolverine during the period 1/1/95 through 12/31/95. The Department will issue appraisement instructions directly to the Customs Service.

Manufacturer/Exporter	Period of review	Margin
Wolverine Tube (Canada), Inc.	01/01/95–12/31/95	0.22

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of review for all shipments of brass sheet and strip from Canada within the scope of the order entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of

the Tariff Act: (1) The cash deposit rate for the reviewed company will be zero; (2) for previously reviewed or investigated companies not listed above, the 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) for all other producers and/or exporters of this merchandise, the cash deposit rate of 8.10 percent, the ''all others'' rate established 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 notice serves as a final 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 subsequent assessment of double antidumping duties.

Notification of Interested Parties

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR § 353.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. This administrative review and notice are in accordance with Section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: April 1, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–8953 Filed 4–7–97; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–351–820]

Notice of Preliminary Results of Antidumping Duty Administrative Review: Ferrosilicon From Brazil

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

EFFECTIVE DATE: April 8, 1997.

FOR FURTHER INFORMATION CONTACT: Jennifer Katt or Sal Tauhidi, AD/CVD Enforcement Group II, Office Four, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–0498 or (202) 482–4851, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments to the Act by the Uruguay Round Agreements Act (URAA).

Preliminary Results

We preliminarily determine that sales of ferrosilicon from Brazil have been made below normal value (NV). If these preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs to assess antidumping duties on all appropriate entries.

Case History

On March 4, 1996 (61 FR 8238), the Department of Commerce (the Department) published in the **Federal Register** a notice of ''Opportunity to Request an Administrative Review'' of the antidumping duty order on Ferrosilicon from Brazil covering the period March 1, 1995, through February 29, 1996. In accordance with 19 CFR 353.22(a)(2), in March 1996, Companhia Brasileira Carbureto De Calcio (CBCC) and Companhia Ferroligas Minas Gerais (Minasligas) (collectively the respondents) requested that the Department conduct an administrative review of their shipments of ferrosilicon to the United States during this period. On April 25, 1996, the Department published a notice of initiation of administrative review (61 FR 18379). The Department is now conducting this administrative review in accordance with section 751 of the Act.

On May 8, 1996, the Department issued an antidumping duty questionnaire to CBCC and Minasligas. This questionnaire instructed the respondents to respond to sections A (corporate structure, accounting practices, markets and merchandise), B (home market sales), C (United States sales) and D (cost of production/constructed value) of the questionnaire. CBCC and Minasligas submitted questionnaire responses in July 1996. The Department issued supplemental questionnaires to CBCC and Minasligas in September 1996, December 1996, and January 1997. Responses to the supplemental questionnaires were received in October 1996, and January 1997.

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of a preliminary determination if it determines that it is not practicable to complete the review within the statutory time limit. On November 26, 1996, the Department extended the time limit for the preliminary results in this case. See Extension of Time Limits of Antidumping Duty Administrative Review, (61 FR 64322) (December 4, 1996).

In accordance with section 782(i) of the Act, we verified the sales and cost questionnaire responses of CBCC and Minasligas during February 1997. The results of these verifications are outlined in the public versions of the verification reports dated March 19, 1997, on file in room B–099 of the main Commerce building.

Scope of Review

The merchandise subject to this review is ferrosilicon, a ferroalloy generally containing, by weight, not less than four percent iron, more than eight percent but not more than 96 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than three percent phosphorous, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element. Ferrosilicon is a ferroalloy produced by combining silicon and iron through smelting in a submerged-arc furnace. Ferrosilicon is used primarily as an alloying agent in the production of steel and cast iron. It is also used in the steel industry as a deoxidizer and a reducing agent, and by cast iron producers as an inoculant.

Ferrosilicon is differentiated by size and by grade. The sizes express the maximum and minimum dimensions of the lumps of ferrosilicon found in a given shipment. Ferrosilicon grades are defined by the percentages by weight of contained silicon and other minor elements. Ferrosilicon is most