

Manufacturer/producer/exporter	Weighted-average margin percentage
Highveld .....	15.77
Isacor .....	31.45
All Other .....	23.77

### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation, of the subject merchandise.

### Public Comment

In accordance with 19 CFR 353.38, case briefs in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than Friday, September 5, 1997, and rebuttal briefs, no later than Friday, September 12, 1997. A list of authorities used and a summary of arguments made in the briefs should accompany these briefs. Such summary should be limited to five pages total, including footnotes. We will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments made in case or rebuttal briefs. At this time, the hearing is scheduled for Friday, September 19, 1997, time and place to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within ten days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b) oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to section 733(f) of the Act.

Dated: June 3, 1997.

**Robert S. LaRussa,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 97-15292 Filed 6-10-97; 8:45 am]

BILLING CODE 3510-DS-P

### DEPARTMENT OF COMMERCE

#### International Trade Administration

[A-821-808]

#### Preliminary Determination of Sales at Less Than Fair Value; Certain Cut-to-Length Carbon Steel Plate From the Russian Federation

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

**ACTION:** Notice of preliminary determination of sales at less than fair value.

**EFFECTIVE DATE:** June 11, 1997.

#### FOR FURTHER INFORMATION CONTACT:

Nithya Nagarajan, Eugenia Chu, or Yury Beyzarov, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-0193, (202) 482-3964, or (202) 482-2243, respectively.

#### 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 codified at 19 CFR part 353 (April 1, 1996).

#### Preliminary Determination

We determine preliminarily that certain cut-to-length carbon steel plate from the Russian Federation is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

#### Case History

Since the initiation of this investigation (61 FR 64051, December 3, 1996), the following events have occurred:

On December 19, 1996, the United States International Trade Commission (ITC) issued an affirmative preliminary determination in this case (see ITC

Investigations Nos. 731-TA-753-756). The ITC found that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from the Russian Federation of certain cut-to-length carbon steel plate.

The Department issued its antidumping questionnaires to the Russian Embassy on December 20, 1996, and requested the Embassy to forward the documents to all Russian producers/exporters of certain cut-to-length carbon steel plate, as well as to manufacturers who produced the subject merchandise for companies who were engaged in exporting subject merchandise to the United States during the period of investigation. We requested the Embassy to inform these companies that they must respond by the due dates. We also sent courtesy copies to the companies whose names and complete addresses had been identified in the petition.

On January 8, 1997, the Department conducted a questionnaire presentation in the Russian Federation. Attending the presentation were officials from the Russian Ministry of Foreign Economic Relations and potential producers/exporters of certain cut-to-length carbon steel plate.

On January 10, 1997, Geneva Steel Company and Gulf States Steel Company (petitioners), alleged that critical circumstances exist with respect to imports of certain cut-to-length carbon steel plate from the Russian Federation. This issue is addressed in the "Preliminary Determination of Critical Circumstances" section of this notice.

On February 6, 1997, the Department provided interested parties with the opportunity to submit published, publicly available information for the Department to consider when valuing the factors of production and for surrogate country selection. We received comments from interested parties at the end of February 1997.

In January and February 1997, one Russian company, JSC Severstal (Severstal), submitted responses to sections A, C, and D of the questionnaire. Severstal is a Russian exporter of subject merchandise. We issued supplemental questionnaires to this respondent company on March 7, 1997 and received completed responses on April 4, and 11, 1997.

Severstal reported that it sold subject merchandise through unrelated trading companies at the port of export in Russia or the Baltic states. In light of this fact, the Department concluded that clarification was required as to whether these resellers sold additional subject

merchandise (unreported by the respondents) to the United States. Therefore, in March 1997, we also issued trading company questionnaires to Severstal's resellers. However, we received no responses.

Also in March, in response to the Russian government's comments on Russia's nonmarket economy (NME) status, the Department issued the Russian government a questionnaire to clarify whether the Russian Federation's NME status should be revoked. However, on March 28, 1997, the Russian Federation informed the Department that it will not be seeking market-economy status in this proceeding. This issue is addressed in the "Nonmarket Economy Country Status" section of this notice.

Except for Severstal, none of the other companies served with a questionnaire responded to the Department's original questionnaire.

On April 15, 1997, petitioners submitted a request that the scope of their petitions be amended to include three items—plate in coil; plate made to carbon plate specifications regardless of alloy content; and plate sold to nominal plate thicknesses whose actual thickness is slightly less than the thickness of plate but within specified thickness tolerances. With respect to plate in coil, petitioners maintain that this product has essentially the same physical characteristics and end uses as cut-to-length plate. Petitioners further claim that a post-initiation shift has occurred in the pattern of trade from cut-to-length plate to plate in coil form, and that such a development indicates that any eventual order on cut-to-length plate will be susceptible to circumvention. Petitioners submitted additional information on May 9, 1997. Respondents submitted extensive rebuttal comments on April 25, 1997, and May 30, 1997.

Because of the very recent submission of arguments on these complex and technical subjects, we were unable to fully analyze all of the relevant information on the record prior to this preliminary determination. In order to fully examine petitioners' claims, we intend to carefully examine all evidence and argument on the record regarding this matter and issue a decision as soon as possible.

On April 30, 1997 (62 FR 23433) we further postponed the preliminary determination until not later than June 3, 1997.

### Scope of the Investigation

The products covered by this investigation are hot-rolled iron and non-alloy steel universal mill plates

(i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, 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 iron and non-alloy steel flat-rolled products not in coils, 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 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included as subject merchandise in this petition 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. This merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTS) under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

### Period of Investigation

The period of investigation (POI) is April 1, 1996, through September 30, 1996.

### Nonmarket Economy Country Status

The Department has treated the Russian Federation as a nonmarket economy country (NME) in all past antidumping investigations and administrative reviews (see, e.g., Titanium Sponge from the Russian Federation: Preliminary Results of Antidumping Administrative Review, 62 FR 25920 (May 12, 1997); Notice of Final Determination of Sale at Less Than Fair Value: Pure Magnesium and Alloy Magnesium from the Russian Federation, 60 FR 16440 (March 30, 1995); Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of the Final Determination: Ferrovandium and Nitridid Vanadium from the Russian

Federation, 60 FR 438 (January 4, 1995)). A designation as an NME remains in effect until it is revoked by the Department (see section 771(18)(C) of the Act). Therefore, for this preliminary determination, the Department will continue to treat the Russian Federation as an NME.

On January 9, 1997 the Russian Federation submitted a filing, on the record, requesting market economy status. The filing consisted of a letter and several Russian laws. On March 25, 1997, the Department drafted a questionnaire addressed to the Department of the Ministry for Foreign Economic Relations of the Russian Federation requesting additional information for Market Economy Status. On April 22, 1997, the Department contacted the Russian embassy via telephone regarding the Department's questionnaire on market economy status. The Embassy conveyed to Department personnel that the Russian Federation will not be seeking market economy status in this proceeding. Thus, the Department will continue to treat the Russian Federation as an NME.

### Surrogate Country

When the Department is investigating imports from an NME, section 773(c) of the Act directs the Department in most circumstances to base normal value (NV) on the NME producer's factors of production, valued in a surrogate market-economy country or countries considered appropriate by the Department. In accordance with section 773(c)(4), the Department, in valuing the factors of production, shall utilize, to the extent possible, the prices or costs of factors of production in one or more market-economy countries that are comparable in terms of economic development to the NME country and are significant producers of comparable merchandise. The sources of individual factor prices are discussed under the NV section below.

The Department has determined that Tunisia, Peru, Poland, Venezuela, Brazil, South Africa, and Turkey are countries comparable to the Russian Federation in terms of overall economic development. See Policy Memorandum, dated January 29, 1997.

According to the available information on the record, we have determined that Brazil is an appropriate surrogate because it is at a comparable level of economic development and is a significant producer of comparable merchandise. Furthermore, there is a wide array of publicly available information for Brazil. Accordingly, we have calculated NV using Brazilian prices to value the Russian producers'

factors of production, when available and where appropriate. We have obtained and relied upon public information wherever possible.

### Separate Rates

The Department presumes that a single dumping margin is appropriate for all exporters in a non market economy country. See Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China, 59 FR 22585 (May 2, 1994) (Silicon Carbide). The Department may, however, consider requests for a separate rate from individual exporters. Severstal has requested a separate, company-specific rate. The claimed ownership structure of Severstal during the POI is that of a publicly owned joint stock company, where the state owns 20% of the shares.

To establish whether a firm is sufficiently independent from government control to be entitled to a separate rate, the Department analyzes each exporting entity under a test arising out of the Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China, 56 FR 20588 (May 6, 1991) (Sparklers) and amplified in Silicon Carbide. Under the separate rates criteria, the Department assigns separate rates in nonmarket economy cases only if a respondent can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities. For a complete analysis of separate rates, see Separate Rates Memorandum, dated June 3, 1997.

#### 1. Absence of De Jure Control

An individual company may be considered for separate rates if it meets the following *de jure* criteria: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies. The respondents have placed on the administrative record a number of documents to demonstrate absence of *de jure* control. These documents include laws, regulations, and provisions enacted by the central government of the Russian Federation, describing the deregulation of Russian enterprise as well as the deregulation of the Russian export trade, except for a list of products that may be subject to central government export constraints. Respondents claim that the subject merchandise is not on this list. This information supports a preliminary finding that there is an absence of *de*

*jure* government control. See Separate Rates Memorandum, dated June 3, 1997.

#### 2. Absence of De Facto Control

The Department typically considers four factors in evaluating whether each respondent is subject to *de facto* governmental control of its export functions: (1) Whether the export prices ("EP") are set by or subject to the approval of a governmental authority; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.

Severstal has asserted the following: (1) It establishes its own EPs; (2) it negotiates contracts, without guidance from any governmental entities or organizations; (3) it selects its own management; and (4) it retains the proceeds of its export sales, uses profits according to its business needs, and has the authority to sell its assets and to obtain loans. In addition, Severstal's questionnaire responses indicate that company-specific pricing during the POI does not suggest coordination among exporters. This information supports a preliminary finding that there is an absence of *de facto* governmental control of the export functions of these companies.

Consequently, we determine preliminarily that Severstal meets the criteria for application of separate rates. See Separate Rates Memorandum, dated June 3, 1997.

### The Russia-Wide Rate

U.S. import statistics indicate that the total quantity and value of U.S. imports of certain cut-to-length carbon steel plate from the Russian Federation is greater than the total quantity and value of steel plate reported by all Russian companies that submitted responses. Given this discrepancy, we conclude that not all exporters of Russian cut-to-length carbon steel plate responded to our questionnaire. Accordingly, we are applying a single antidumping deposit rate—the Russia-wide rate—to all exporters in the Russian Federation (other than Severstal), based on our presumption that those respondents who failed to respond constitute a single enterprise and are under common control by the Russian Federation government. See, e.g., Final Determination of Sales at Less Than Fair Value: Bicycles from the People's

Republic of China, 61 FR 19026 (April 30, 1996).

This Russia-wide antidumping rate is based on adverse facts available. Section 776(a)(2) of the Act provides that "if an interested party or any other person (A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i), the administering authority \* \* \* shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title."

In addition, section 776(b) of the Act provides that, if the Department finds that an interested party "has failed to cooperate by not acting to the best of its ability to comply with a request for information," the Department may use information that is adverse to the interests of that party as the facts otherwise available. The statute also provides that such an adverse inference may be based on secondary information, including the information drawn from the petition.

As discussed above, all Russian exporters that do not qualify for a separate rate are treated as a single enterprise. Because some exporters of the single enterprise failed to respond to the Department's requests for information, that single enterprise is considered to be uncooperative. In such situations, the Department generally selects as total facts available either the higher of the average of the margin from the petition or the highest rate calculated for a respondent in the proceeding. In the present case, the average margin in the petition is higher than the one calculated rate. Accordingly, the Department has based the Russia-wide rate on information in the petition. In this case, the average petition rate is 185.00 percent.

Section 776(c) of the Act provides that where the Department relies on "secondary information," the Department shall, to the extent practicable, corroborate that information from independent sources reasonable at the Department's disposal. The Statement of Administrative Action (SAA), accompanying the URAA clarifies that the petition is "secondary information" and that "corroborate" means to determine that the information used has probative value. See SAA at 870.

In accordance with section 776(c) of the Act, we corroborated the margins in the petition to the extent practicable. The information contained in the petition shows that petitioners calculated export price based on two methods: (1) The import values declared to the U.S. Customs Service; and (2) an average export price derived from actual U.S. selling prices known to petitioners. We compared the starting prices used by petitioners less the importer mark-ups against prices derived from U.S. import statistics and found that the two sets of prices were consistent. We also compared the movement charges used in the petition with the surrogate values used by the Department in its margin calculations and found them to be consistent.

The information in the petition with respect to the normal value (NV) is based on factors of production used by the petitioners in the production of steel plate. Petitioners submitted usage amounts for materials, labor and energy, adjusted for known differences in production efficiencies. Petitioners submitted three cost models in the petition: 1) Basic Oxygen Furnace (BOF) Cost Model; 2) Open-Hearth Furnace Cost Model; and 3) Weighted Average Normal Value of the BOF and Open-Hearth methods to account for differences between the production processes of petitioners and potential respondents.

The margins in the petition ranged from 139.97 to 230.38 percent obtained by comparing the normal values to the export price developed from customs values and to export prices developed from actual U.S. price quotes. For each method, petitioners submitted estimated dumping margins for the BOF method, the open-hearth method and a weighted average of the two. For more detail, see Corroboration Memorandum, dated June 3, 1997.

#### **Fair Value Comparisons**

To determine whether certain cut-to-length carbon steel plate from the Russian Federation sold to the United States by the Russian exporters receiving separate rates were made at less than fair value, we compared the EP to the NV, as specified in the "Export Price" and "Normal Value" sections of this notice.

#### **Export Price**

For Severstal, we calculated EP in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation and constructed export price (CEP) methodology was not

otherwise indicated. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI-wide weighted-average EPs to the factors of production.

We made adjustments as follows: We calculated EP based on packed, FOB prices to the port of loading on the Russian territory. We made deductions from the starting price, where appropriate, for brokerage and handling. However, because these services were provided by the Russian port, these services were assigned a surrogate value as available from Brazilian publicly available published data.

#### **Normal Value**

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by the factory in the Russian Federation which produced the cut-to-length carbon steel plate sold by Severstal. We valued all the input factors using publicly available published information as discussed in the Surrogate Country section of this notice.

#### **Factor Valuations**

The selection of the surrogate values was based on the quality and contemporaneity of the data. Where possible, we attempted to value material inputs on the basis of tax-exclusive domestic prices in the surrogate country. Where we were not able to rely on domestic prices, we used import prices to value factors. As appropriate, we adjusted input prices to make them delivered prices. For those values not contemporaneous with the POI, we adjusted for inflation using wholesale price indices or, in the case of labor rates, consumer price indices, published in the International Monetary Fund's International Financial Statistics. For a complete analysis of surrogate values, see Factors Memorandum.

To value coal, coke, iron, lime, ferro alloys, packing materials (locks), and scrap, we used public information from the latest data published by the United Nations for 1996 (Commodity Trade Statistics 1994, 3 Brazil Rev. 1995, at 19). For limestone, we used information from Commodity Trade Statistics 1993, Brazil Rev. 3, United Nations, 1994. For packing (bands), we used information reported in data from the 1992 UN Import Statistics; Taken from the Department of Commerce NME Factors Index, case A-821-805.

For natural gas, we relied on public information reported in the *Diario Oficial* No. 180, September 27, 1995. For electricity, we relied upon public information from the September 27, 1995 Official Publication of the

Brazilian Government to obtain an average price for electricity.

To value rail transport for coal and for iron ore, we used public information reported in the July 1996 *Cargo and Transport Magazine* (Confederacao Nacional de Transporte Brazil). The exchange rate used was .9970 US\$/R\$. The source for the exchange rate for rail transport was obtained from the IMF's International Financial Statistics, January 1997, for the average during the POI.

To value skilled labor, we used the County Reports on Human Rights Practices for 1996, from the U.S. Department of State. For unskilled labor, we relied on data obtained from a U.S. Department of Commerce cable dated October 1994. To value overhead, SG&A, and profit, we used public information reported in the 1996/1997 Brazil company handbook. These are the average percentages for various Brazilian iron and steel companies. To value brokerage, we relied on public information from Case No. A-351-817, Plate from Brazil, Usiminas, Section C Response at Exh.6, dated November 21, 1996.

Severstal reported the amount of slag, a by-product of the plate production process, produced in the production of the subject merchandise. Normally, the Department offsets the calculated cost of manufacturing by the value of any by-products. The only surrogate value for slag from Brazil was aberrationally high when compared to an available U.S. rate. Based on our knowledge of the steelmaking process, we know that slag is a by-product with a relatively low value (compared to the price of steel plate). We were able to locate an appropriate value for slag from the U.S. Geological Survey, Mineral Commodities Summaries from February 1997. We used the U.S. slag value for the preliminary determination. We will continue to try to locate an appropriate surrogate value from Brazil, or another country at a comparable level of development for our final determination.

#### **Preliminary Determination of Critical Circumstances**

On January 10, 1997, the petitioners alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of certain cut-to-length carbon steel plate. In accordance with 19 CFR 353.16(b)(2)(i) (1996), since these allegations were filed earlier than the deadline for the Department's preliminary determination, we must issue our preliminary critical

circumstances determinations not later than the preliminary determination.

Section 733(e)(1) of the Act provides that if a petitioner alleges critical circumstances, the Department will determine whether there is a reasonable basis to believe or suspect that: (A)(i) There is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period.

The statute and the Statement of Administrative Action which accompanies the Uruguay Round Agreements Act (SAA) are silent as to how we are to make a finding that there was knowledge that there was likely to be material injury. Therefore, Congress has left the method of implementing this provision to the Department's discretion.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that the exporter was selling the plate at less than fair value, the Department normally considers margins of 15 percent or more sufficient to impute knowledge of dumping for constructed export price (CEP) sales, and margins of 25 percent or more for export price (EP) sales. See, e.g., Preliminary Critical Circumstances Determination: Honey from the People's Republic of China (PRC), 60 FR 29824 (June 6, 1995) (*Honey*). Since the company specific margins for EP sales in our preliminary determination for carbon steel plate are greater than 25 percent for Severstal, we have imputed knowledge of dumping.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that there was likely to be material injury by reason of dumped imports, the Department normally will look to the preliminary injury determination of the ITC. If the ITC finds a reasonable indication of present material injury to the relevant U.S. industry, the Department will determine that a reasonable basis exists to impute importer knowledge that there was likely to be material injury by reason of dumped imports during the critical circumstances period—the 90-day period beginning with the initiation of the investigation (see 19 CFR 353.16(g)).

If, as in this case, the ITC preliminarily finds threat of material injury (See Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, U.S. International Trade Commission, December 1996), the Department will also consider the extent of the increase in the volume of imports of the subject merchandise during the critical circumstances period and the magnitude of the margins in determining whether a reasonable basis exists to impute knowledge that material injury was likely.

In this case, imports of Russian plate increased 145 percent in the three months following the initiation of the investigation when compared to the three months immediately preceding initiation, or almost ten times the level of increase needed to find "massive imports" during the same period (see below). Furthermore, we have preliminarily found margins of 61.23 percent for Severstal.

Based on the ITC's preliminary determination of threat of injury, the increase in imports noted above, and the high preliminary margins, the Department determines that there is a reasonable basis to believe or suspect that the importer knew or should have known that there was likely to be material injury by means of sales of the subject merchandise at less than fair value.

To determine whether imports were massive over a relatively short time period, the Department typically compares the import volume of the subject merchandise for the three months immediately preceding and following the initiation of the proceeding. See 19 CFR 353.16(g). Pursuant to 19 CFR 353.16(f)(2), the Department will consider an increase of 15 percent or more in the imports of the subject merchandise over the relevant period to be massive. As noted, imports of the subject merchandise increased 145 percent during the relevant period, and thus we determine that imports have been massive.

Thus, because we determine that there is a reasonable basis to believe or suspect that the importer knew or should have known that Russian exporters were selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and that there have been massive imports of the subject merchandise over a relatively short time period, we preliminarily determine that critical circumstances exist for Severstal.

For companies subject to the Russia-wide rate (i.e., companies which did not respond to the Department's

questionnaire), we are imputing knowledge based on the Russia-wide rate, and determine, based on facts available, that there were massive imports of certain cut-to-length carbon steel plate by companies that did not respond to the Department's questionnaire. Therefore, we preliminarily determine that critical circumstances exist with regard to these companies.

We find that critical circumstances exist for cut-to-length carbon steel plate sales by all Russian exporters.

#### Verification

As provided in section 782(i) of the Act, we will verify the information used in making our final determination.

#### Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject from Ukraine, that are entered, or withdrawn from warehouse, for consumption on or after the date ninety days prior to the date of publication of this notice in the **Federal Register**. We will instruct Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds the EP, as indicated below. These suspension of liquidation instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Manufacturer/producer/exporter	Weighted-average margin percentage
Severstal .....	61.23
The Russia-Wide Rate .....	185.00

#### The Russia-Wide Rate

A Russia-wide rate has been assigned to certain cut-to-length carbon steel plate based on the average margin contained in the petition, as amended by the Department. The Russia-wide rate applies to all entries of subject merchandise except for entries from exporters/factories that are identified individually above.

#### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether the domestic industry in the United States is materially injured, or threatened with

material injury, by reasons of imports, or sales (or the likelihood of sales) for importation, of the subject merchandise.

#### Public Comment

In accordance with 19 CFR 353.38 (1996), case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than 50 days after the publication of this preliminary determination, and rebuttal briefs, no later than 5 days after the filing of case briefs. A list of authorities used and a summary of arguments made in the briefs should accompany these briefs. Such summary should be limited to five pages total, including footnotes. We will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. The hearing will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, time, date, and room to be determined. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within ten days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b) (1996), oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by August 18, 1997.

This determination is published pursuant to section 777(i) of the Act.

Dated: June 3, 1997.

**Robert S. LaRussa,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 97-15293 Filed 6-10-97; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-849]

#### Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From The People's Republic of China

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

**ACTION:** Notice of preliminary determination of sales at less than fair value.

**EFFECTIVE DATE:** June 11, 1997.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Patience, Stephen Jacques, 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.

#### 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, codified at 19 CFR part 353 (April 1, 1996).

#### Preliminary Determination

We determine preliminarily that certain cut-to-length carbon steel plate from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Act. The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

#### Case History

Since the initiation of this investigation (61 FR 64051, December 3, 1996), the following events have occurred:

On November 27, 1997, we sent a survey to the Chinese Ministry of Foreign Trade and Economic Cooperation ("MOFTEC") and the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters ("CCCMC") to determine the identity of producers and exporters of subject merchandise, but we received no response.

On December 19, 1996, the United States International Trade Commission ("ITC") issued an affirmative

preliminary injury determination in this case (see ITC Investigations Nos. 731TA-753-756). The ITC found that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from the PRC of steel plate. We issued an antidumping questionnaire to the Chinese Ministry of Foreign Trade and Economic Cooperation ("MOFTEC") with a list of 20 possible producers of subject merchandise and requested MOFTEC to forward it to all producers/exporters of subject merchandise on December 20, 1996. We also sent courtesy copies to the 20 producers on that date. These producers were identified in *Iron and Steel Works of the World*, 11th edition, 1994.

The questionnaire is divided into four sections. Section A requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the sales of the merchandise in all of its markets. Sections B and C request home market sales listings and U.S. sales listings, respectively. (Section B does not normally apply in antidumping proceedings involving the PRC). Section D requests information on the factors of production of the subject merchandise.

On January 10, 1997, Geneva Steel Company and Gulf States Steel Company, (petitioners) amended their petition to allege that critical circumstances existed with respect to subject merchandise.

On January 24, 1997 the following submitted their section A response: China Metallurgical Import & Export Liaoning Company (Liaoning), an exporter of subject merchandise; Wuyang Iron and Steel Company (Wuyang), which produced the merchandise sold by Liaoning; Anshan Iron and Steel Complex (AISCO), a producer of subject merchandise; Angang International Trade Corporation (Anshan International), a wholly-owned AISCO subsidiary in China with its own business license to import and export merchandise, and Sincerely Asia, Limited (SAL) a partially-owned Hong Kong affiliate of AISCO involved in sales of subject merchandise to the United States, (collectively, Anshan); Baoshan Iron & Steel Corporation (Bao), a producer of subject merchandise; Bao Steel International Trade Corporation (Bao Steel ITC), a wholly-owned subsidiary of Bao responsible for selling Bao material domestically and abroad; and Bao Steel Metals Trading Corporation (B. M. International), a partially-owned U.S. subsidiary involved in U.S. sales, (collectively