

(see *Amended Final Determination*, 60 FR 49582 (September 26, 1995)). These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative reviews.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These administrative reviews and notices are published in accordance with section 751(a)(1) of the Act and 19 CFR 353.22.

Dated: September 2, 1997.

Robert S. LaRussa,
Assistant Secretary for Import
Administration.

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BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration A-351-817

Certain Cut-to-Length Carbon Steel Plate From Brazil: Preliminary Results of Antidumping Duty Administrative Review

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

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

SUMMARY: In response to requests from the respondent, Usinas Siderurgicas de Minas Gerais ("USIMINAS"), and from petitioners (Bethlehem Steel Corporation; U.S. Steel Company, a Unit of USX Corporation; Inland Steel Industries, Inc.; Geneva Steel; Gulf States Steel Inc. of Alabama; Sharon Steel Corporation; and Lukens Steel Company), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain cut-to-length carbon steel plate from Brazil. This review covers the above manufacturer/exporter of the subject merchandise to the United States. The period of review (POR) is August 1, 1995, through July 31, 1996.

We preliminarily determine the dumping margin for USIMINAS and its

affiliate Companhia Siderurgica Paulista ("COSIPA") to be 10.49 percent during the POR. Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding should also submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument.

EFFECTIVE DATE: September 9, 1997.

FOR FURTHER INFORMATION CONTACT: Samantha Denenberg or Linda Ludwig, Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0413 or (202) 482-3833, respectively.

SUPPLEMENTARY INFORMATION:

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 made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all references to the Department's regulations are to 19 CFR Part 353 (1997).

Background

On July 9, 1993, the Department published in the *Federal Register* (58 FR 37062) the final affirmative antidumping duty determination on certain cut-to-length carbon steel plate from Brazil. We published an antidumping duty order on August 19, 1993 (58 Fed. Reg. 44164). On August 12, 1996, the Department published the Opportunity to Request an Administrative Review of this order for the period August 1, 1995-July 31, 1996 (61 FR 41768). The Department received requests for an administrative review of USIMINAS' exports from USIMINAS itself, a producer/exporter of the subject merchandise, and from the petitioners. We published a notice of initiation of the review on September 17, 1996 (61 FR 48882).

Significant inflation was an issue in the previous segments of this proceeding. The Department required that USIMINAS report monthly inflation rates for 1995-1996. The Department's analysis of the inflation rates determined that inflation did not exceed 15% during the POR. The Department did not require USIMINAS to report monthly costs, as it was determined that inflation was not significant during the period of review. See the Department's letter from Linda Ludwig to Christopher

S. Stokes, dated October 22, 1996. We are not using the Department's inflationary methodology in these preliminary results of the review.

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for issuing a preliminary determination in an administrative review if it determines that it is not practicable to complete the preliminary review within the statutory time limit of 245 days. On March 21, 1997, the Department published a notice of extension of the time limit for the preliminary results in this case to 365 days after the last day of the month in which the anniversary date of the order occurred. See *Extension of Time Limit for Antidumping Duty Administrative Reviews*, 62 FR 13596 (March 21, 1997).

The Department is conducting this review in accordance with section 751(a) of the Act.

Affiliated Respondents

Pursuant to section 771 (33) of the Act, the Department considers the following persons or parties to be affiliated:

A. Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

B. Any officer or director of an organization and such organization.

C. Partners.

D. Employer and employee.

E. Any person directly or indirectly owning, controlling, or holding with power to vote, five percent or more of the outstanding voting stock or shares of any organization and such organization.

F. Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

G. Any person who controls any other person and such other person.

For the purposes of this paragraph, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person.

USIMINAS acknowledges that COSIPA is affiliated with it under the antidumping statute because, during the POR, as indicated by publicly available information on the record, USIMINAS owned 49 percent of the voting stock of COSIPA. See Section A Response at 3.

It is the Department's practice to collapse affiliated producers for purposes of calculating a margin when the facts demonstrate that the relationship is such that there is a strong possibility of manipulation of prices

and production decisions that would result in circumvention of the antidumping law. See the Department's internal memorandum from Richard Weible to Joseph A. Spetrini, dated March 21, 1997. Although the Department's new regulations published May 19, 1997 (62 FR 27410) do not govern this review, they do codify the Department's current practice. Current practice calls for the Department to treat two or more affiliated producers as a single entity (*i.e.*, "collapse" the firms) for purposes of calculating a dumping margin when the following three criteria are met:

1. The producers must be affiliated;
2. The producers must have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities; and
3. There must be a significant potential for the manipulation of price or production. See 19 CFR Part 351 *et. al.*, *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27410.

As indicated above, USIMINAS and COSIPA are considered affiliated. Further, based on publicly available information, it was determined that USIMINAS and COSIPA have production facilities for identical products and that no substantial retooling would be required for USIMINAS and COSIPA to restructure their production priorities with respect to production of subject merchandise. In identifying whether there is a significant potential for the manipulation of price or production, the factors the Department considers include: the level of common ownership; whether managerial employees or board members of one of the affiliated producers sit on the board(s) of directors of the other affiliated parties; and whether operations are intertwined, such as through the sharing of sales information, involvement in production and pricing decisions, the sharing of facilities or employees, or significant transactions between the affiliated producers. The following factors support a conclusion that the relationship between USIMINAS and COSIPA has significant potential for manipulation of price or production: a large share of COSIPA's stock is held by USIMINAS and related parties, there is cross-representation on the governing bodies of the two companies and both companies are making at least a portion of their home market sales of subject merchandise through the same channels of distribution (distributors affiliated with USIMINAS). Thus, the Department has determined to collapse USIMINAS

and COSIPA and to treat them as a single producer of cut-to-length carbon steel plate for purpose of this antidumping duty review. See the Department's internal memorandum from Richard Weible to Joseph A. Spetrini, dated March 21, 1997 ("Collapsing Memorandum").

Scope of the Review

The products covered by this administrative review constitute one "class or kind" of merchandise: certain cut-to-length carbon steel plate. These products include 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 Harmonized Tariff Schedule (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, and 7212.50.0000.

These HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive. 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.

Verification

As provided in section 782(i) of the Act, we verified information provided by the respondent by using standard verification procedures, including on-site inspection of the manufacturing facilities of USIMINAS and COSIPA, the examination of relevant sales and financial records, and selection of

original documentation containing relevant information. Our verification results are outlined in the verification reports, the public versions of which are available at the Department of Commerce, in the Central Records Unit (CRU), Room B099.

Transactions Reviewed

In accordance with section 751(a)(2) of the Act, the Department is required to determine the normal value (NV) and export price (EP) of each entry of subject merchandise.

The Department granted respondent's request for limited time reporting of sales data. USIMINAS/COSIPA was only required to report home market sales during a window of February 1995 through September 1995. See Letter to Respondent's Counsel (Willkie Farr & Gallagher) from Linda Ludwig, October 22, 1996.

Based on a review of USIMINAS/COSIPA's submissions and verification findings, the Department determined that USIMINAS/COSIPA need not report its home market downstream sales because the total volume and value of home market sales to affiliated parties constitutes a relatively small percentage of USIMINAS/COSIPA's total home market sales. See *Decision Memorandum on Reporting Downstream Sales*, April 1, 1997.

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.

Fair Value Comparisons

To determine whether sales of certain cut-to-length carbon steel plate by USIMINAS/COSIPA to the United States were made at less than fair value, we compared the EP to the NV, as described in the "Export Price" and "Normal Value" sections of this notice. In accordance with section 777A (d)(2) of the Act, we calculated monthly weighted-average prices for NV and compared these to individual U.S. transactions.

Export Price

We used EP as defined in section 772(a) of the Act. We calculated EP based on prices to unaffiliated customers in the United States. Where appropriate, we made deductions from the starting price for inland freight, brokerage and handling, and

international freight. See *USIMINAS and COSIPA Sales Verification Reports*, August 12, 1997. Based on verification of the U.S. sales response, we made adjustments to the gross unit price from a theoretical metric ton basis to an actual metric ton basis in order to convert all fields to the same weight basis.

Normal Value

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

Where appropriate, we deducted rebates, discounts, packing costs, credit expenses, movement expenses, pre-sale warehousing, inland insurance. We added interest revenue. We also deducted IPI tax and the ICMS tax from the reported gross unit price, since the reported price included those taxes. Based on our verification of USIMINAS/COSIPA's home market sales response, we made adjustments on certain sales to reported imputed credit expenses.

Further, we added U.S. Commissions and U.S. credit expenses to NV; because there were no home market commissions, we deducted from NV the lesser of either (1) the amount of commission paid on a U.S. sale for a particular product, or (2) the amount of indirect selling expenses incurred on the home market sales for a particular product.

Level of Trade

In accordance with section 773(a)(1)(B)(i) of the Act and the Statement of Administrative Action (SAA) accompanying the URAA, to the extent practicable, the Department will calculate normal values based on sales at the same level of trade as the U.S. sales (either EP or CEP). When the Department is unable to find sales in the comparison market at the same level of trade as the U.S. sale(s), the Department may compare sales in the U.S. and foreign markets at different levels of trade, and adjust NV if appropriate. The NV level of trade is that of the starting-price sales in the home market. As the Department explained in *Gray Portland*

Cement and Clinker From Mexico: Final Results of Antidumping Duty Administrative Review ("Cement from Mexico"), 62 Fed. Reg. 17148, 17156 (April 9, 1997), for both EP and CEP, the relevant transaction for the level of trade analysis is the sale from the exporter to the importer.

To determine whether home market sales are at a different level of trade than U.S. sales, we examine whether the home market sales are at different stages in the marketing process than the U.S. sales. The marketing process in both markets begins with the good being sold by the producer and extends to the sale to the final user. The chain of distribution between the producer and the final user may have many or few links, and each respondent's sales are generally to an importer, whether independent or affiliated. We review and compare the distribution systems in the home market and the United States, including selling functions, class of customer, and the extent and level of selling expenses for each claimed level of trade. Customer categories such as distributor, retailer or end-user are commonly used by respondents to describe level of trade, but without substantiation, they are insufficient to establish that a claimed level of trade is valid. An analysis of the chain of distribution and of the selling functions substantiates or invalidates the claimed customer categorization levels. If the claimed levels are different, the selling functions performed in selling to each level should also be different. Conversely, if customer levels are nominally the same, the selling functions performed should also be the same. Different levels of trade 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. Differences in levels of trade are characterized by purchasers at different stages in the chain of distribution and sellers performing qualitatively or quantitatively different functions in selling to them.

When we compare U.S. sales to home market sales at a different level of trade, we make a level-of-trade adjustment if the difference in level of trade affects price comparability. We determine any effect on price comparability by examining sales at different levels of trade in a single market, the home market (or the third-country market used to calculate NV when the home market is not viable or otherwise inappropriate as a basis for NV). Any price effect must be manifested in a pattern of consistent price differences

between home market (or third-country) sales used for comparison and sales at the equivalent level of trade of the export transaction. See *Granular Polytetrafluorethylene Resin from Italy: Preliminary Results of Antidumping Duty Administrative Review*, 62 Fed. Reg. 26283, 26285 (May 13, 1997); *Cement from Mexico*. To quantify the price differences, we calculate the difference in the average of the net prices of the same models sold at different levels of trade. We use the average percentage difference between these net prices to adjust NV when the level of trade of NV is different from that of the export sale. If there is a pattern of no price differences, then the difference in level of trade does not have a price effect and, therefore, no adjustment is necessary.

USIMINAS/COSIPA sold to a single customer in the U.S. market (a trading company). In the home market, USIMINAS/COSIPA sold to two categories of customers (wholesalers/distributors and end-users) and performed the same selling functions for all sales to all its U.S. and home market customers. Originally, respondents claimed and reported two levels of trade: sales directly from the producer to the customer and sales from the producer to an affiliated distributor for resale. However, since the Department determined that respondents need not report downstream sales by affiliated distributors, respondent is no longer claiming two levels of trade. See *Transactions Reviewed* section above. Our analysis of the questionnaire response and information collected at verification lead us to conclude that sales within each market and between markets are not made at different levels of trade. Accordingly, we preliminarily find that all sales in the home market utilized by the Department and all sales to the U.S. market are made at the same level of trade. Therefore, all price comparisons are at the same level of trade and no adjustment pursuant to section 773(a)(7)(A) is warranted.

Cost of Production Analysis

Petitioners alleged on January 15, 1997 that USIMINAS sold cut-to-length carbon steel plate in the home market at prices below the cost of production ("COP"). Based on this allegation, and in accordance with section 773(b) of the Act, the Department determined, on March 20, 1997, that it had reasonable grounds to believe or suspect that USIMINAS had sold the subject merchandise in the home market below the COP. See Decision Memorandum from Linda Ludwig to Richard O. Weible (March 20, 1997). As a result,

the Department initiated an investigation to determine whether USIMINAS made home market sales during this POR at prices below their COP within the meaning of section 773(b) of the Act. After determining that USIMINAS and COSIPA should be collapsed, the Department extended the COP investigation to include COSIPA. Before making any fair value comparisons, we conducted the COP analysis described below.

A. Calculation of COP

We calculated the COP based on the sum of USIMINAS/COSIPA's cost of materials and fabrication for the foreign like product, plus amounts for home market selling, general and administrative expenses and packing costs in accordance with section 773(b)(3) of the Act. Based on findings made at verification, we have recalculated USIMINAS/COSIPA's general and administrative expenses and interest. See *Analysis Memorandum for The File from Samantha Denenberg*, September 2, 1997.

B. Test of Home Market Prices

We used the respondent's weighted-average COP, as adjusted (see above), for the period 1/1/95–12/31/95. We compared the weighted-average COP figures to home market sales of the foreign like product as required under section 773(b) of the Act. In determining whether to disregard home-market sales made at prices below the COP, we examined whether (1) within an extended period of time, such sales were made in substantial quantities, and (2) such sales were made at prices which permitted the recovery of all costs within a reasonable period of time.

On a product-specific basis, we compared the COP to the home market prices, less any applicable movement charges, rebates, and discounts.

C. Results of COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the POR were at prices less than the COP, we determined such sales to have been made in "substantial quantities" within an extended period of time in accordance with section 773(b)(2)(B) of the Act, and not at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, we disregarded such below-cost sales. Where all contemporaneous sales of a comparison product were disregarded, we calculated NV based on CV.

D. Calculation of CV

In accordance with section 773(e) of the Act, we calculated CV based on the sum of USIMINAS/COSIPA's cost of materials, fabrication, SG&A, U.S. packing costs, interest expenses as reported in the U.S. sales database and profit. As noted above, we recalculated USIMINAS/COSIPA'S general and administrative expenses and interest expenses based on our verification results. In accordance with section 773(e)(2)(A) of the Act, we based SG&A and profit on the amounts incurred and

realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. For selling expenses, we used the weighted-average home market selling expenses. Where we compared CV to EP, we added U.S. commissions to CV, and then we deducted from CV the lesser of either (1) the amount of commission paid on a U.S. sale for a particular product, or (2) the amount of indirect selling expenses incurred on the home market sales for a particular product.

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 as a general matter 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 exists, we substitute the benchmark for the daily rate.

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 (percent)
Usinas Siderurgicas de Minas Gerais, S.A.	8/1/95–7/31/96	10.49
Companhia Siderurgica Paulista	8/1/95–7/31/96	10.49

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. 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 business day thereafter. Case briefs from interested parties may be submitted not later than 30 days after the date of publication. Rebuttal briefs, limited to issues raised in those briefs, 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 the case and rebuttal briefs, not later than 120 days after the date of publication of this notice.

The following deposit requirements will be effective upon publication of the final results of this antidumping duty review for all shipments of certain cut-to-length carbon steel plate from Brazil, entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a) of the Tariff Act: (1) the cash deposit rate for the reviewed company will be that established in the final results of review; (2) for exporters not

covered in this review, but covered in the LTFV investigation or previous review, the cash deposit rate will continue to be the company-specific rate from the LTFV investigation or the most recent previous review; (3) if the exporter is not a firm covered in this review, a previous review, or the original 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; (4) the cash deposit rate for all other manufacturers or exporters will continue to be 75.54 percent, the "All Others" rate in the

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

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

Dated: September 2, 1997.

Robert S. LaRossa,

Assistant Secretary, for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-614-801]

Fresh Kiwifruit From New Zealand; Amended Final Results of Antidumping Duty Administrative Review

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

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

SUMMARY: On September 3, 1996, the Department of Commerce (the Department) published the final results of its administrative review of the antidumping duty order on fresh kiwifruit from New Zealand. On December 27, 1996, the Department published amended final results of this review. The review covers one exporter, the New Zealand Kiwifruit Marketing Board (NZKMB), and the period from June 1, 1994, through May 31, 1995. Based on the correction of ministerial errors made with respect to the amended final results of December 27, 1996, we are amending the final results a second time.

EFFECTIVE DATE: September 9, 1997.

FOR FURTHER INFORMATION CONTACT: Paul M. Stolz or Thomas F. Futtner, Import Administration, International

Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-4474 or 482-3814, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act), by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Departments regulations are to 19 CFR part 353 (1997).

Background

On September 3, 1996, the Department published the final results (61 FR 46438) of its administrative review of the antidumping duty order on fresh kiwifruit from New Zealand (57 FR 23203 (June 2, 1992)). On December 27, 1996 the Department published amended final results of this review. The review covered one exporter, the NZKMB. The Department has now amended the final results of this administrative review a second time in accordance with section 751 of the Act.

Scope of the Review

The product covered by the order under review is fresh kiwifruit. Processed kiwifruit, including fruit jams, jellies, pastes, purees, mineral waters, or juices made from or containing kiwifruit, are not covered under the scope of the order. The subject merchandise is currently classifiable under subheading 0810.90.20 of the Harmonized Tariff Schedule (HTS). Although the HTS number is provided for convenience and customs purposes, our written description of the scope of this review is dispositive.

Amended Final Results

After publication of our amended final results, we received timely allegations of ministerial errors from the respondent, NZKMB, and the petitioner, the California Kiwifruit Commission.

Allegation 1: NZKMB alleges that the Department failed to properly initialize the variable for home market pallet expenses, PALEXP, in the computer program. The petitioner agrees with NZKMB's allegation. The Department agrees with both respondent and petitioner and has adjusted the computer program to properly initialize the variable.

Allegation 2: NZKMB alleges that the Department incorrectly added imputed

credit and inventory carrying costs into the computation of constructed value (CV). Since these costs are already included in CV, as elements of selling, general and administrative expenses, respondent asserts that adding them would result in double-counting. We agree and have revised the program accordingly.

Allegation 3: NZKMB argues that imputed credit expenses should be deducted from CV and inventory carrying costs should be deducted up to the CEP offset cap. We agree regarding the deduction of credit and inventory carrying costs and have revised the program accordingly.

Allegation 4: NZKMB alleges that the Department treated the sum of the cost of manufacturing (COM) and G&A as the COM, and then double-counted G&A by adding it again in the calculation of COP. We agree and have corrected the computer program as appropriate.

Allegation 5: NZKMB alleges that the Department converted normal value for price-to-price comparisons into U.S. dollars by erroneously multiplying, instead of dividing, the NV by the exchange rate. We agree and have corrected the computer program as appropriate.

Allegation 6: Petitioner alleges that the Department's program applies the New Zealand rate of exchange twice to the United States packing cost used to create the variable "FUPDOL". We agree and have corrected the program as appropriate.

For a description of allegations we did not agree were clerical errors, see the memorandum from Tom Futtner, Program Manager, to Holly Kuga, Senior Office Director, dated July 25, 1997.

Upon correction of the error described above as allegation 1, the Department has determined that all home market sales were below the cost of production, thus requiring the calculation of constructed value. Section 773(e)(2)(B) of the Act states that in the absence of above cost sales, selling expenses and profit shall be based on (i) expenses and profit of the respondent's other products, or (ii) the expenses and profit of other producers subject to the antidumping investigation or review, or (iii) any other reasonable method. The first two alternatives and not available in this case, since NZKMB sells no other products and since there are no other New Zealand exporters subject to this review. Therefore we must rely on "other reasonable" methods. In this case, since NZKMB earned no profits on home market sales and we have no other information on the record with respect to profit earned in the home market, as facts available we used the profits