

some portion of these general expenses might be broadly attributable to U.S. sales, they would only relate to the sale by Highveld to Newco and are, therefore, not expenses attributable to the sale to the unaffiliated purchaser.

#### DOC Position

We agree with respondents. The Department only deducts indirect selling expenses incurred in the country of manufacture which are specifically related to commercial activity in the United States. (See Calcium Aluminate Flux From France: Preliminary Results of Antidumping Duty Administrative Review, 61 FR 40396, 40397 (August 2, 1996).) At verification, we found that the expenses at issue were general in nature and did not relate specifically to U.S. commercial activity. Therefore, consistent with our preliminary determination, we did not deduct these expenses from CEP for the final determination.

#### Suspension of Liquidation

On October 24, 1997, the Department signed a suspension agreement with Iscor and Highveld suspending this investigation. Pursuant to section 734(f)(2)(A) of the Act, we are instructing Customs to terminate the suspension of liquidation of all entries of cut-to-length carbon steel plate from South Africa. Any cash deposits of entries of cut-to-length carbon steel plate from South Africa shall be refunded and any bonds shall be released.

On October 14, 1997, we received a request from petitioners requesting that we continue the investigation. We received a separate request for continuation from the United Steelworkers of America, an interested party under section 771(9)(D) of the Act on October 15, 1997. Pursuant to these requests, we have continued and completed the investigation in accordance with section 734(g) of Act. We have found the following margins of dumping:

Manufacturer/producer/exporter	Weight-average margin percentage
Highveld .....	26.01
Iscor .....	50.87
All Other .....	38.36

#### ITC Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination. As our determination is affirmative, the ITC will determine, within 45 days, whether these imports

are causing material injury, or threat of material injury, to an industry in the United States. If the ITC's injury determination is negative, the agreement will have no force or effect, and the investigation will be terminated (see section 734(f)(3)(A) of the Act). If the ITC's determination is affirmative, the Department will not issue an antidumping duty order as long as the suspension agreement remains in force (see section 734(f)(3)(B) of the Act).

This determination is published pursuant to section 735(d) of the Act.

Dated: October 24, 1997.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 97-30389 Filed 11-18-97; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

[A-791-804]

### Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From South Africa

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

**SUMMARY:** The Department of Commerce (the Department) has suspended the antidumping duty investigation involving certain cut-to-length carbon steel plate (CTL plate) from South Africa. The basis for this action is an agreement between the Department and Iscor Ltd. (Iscor) and Highveld Steel and Vanadium Corporation Ltd. (Highveld) to revise their prices to eliminate completely sales of this merchandise to the United States at less than fair value.

**EFFECTIVE DATE:** October 24, 1997.

**FOR FURTHER INFORMATION CONTACT:** Charles Rast, Nancy Decker, or Linda Ludwig, Office of AD/CVD Enforcement III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th & Constitution Avenue N.W., Washington, D.C. 20230; telephone (202) 482-5811, (202) 482-0196, or (202) 482-3833, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On December 3, 1996, the Department initiated an antidumping investigation under section 732 of the Tariff Act of 1930, (the Act), as amended, to determine whether imports of CTL plate from South Africa are being or are likely to be sold in the United States at less than fair value (61 FR 64051 (December 3, 1996)). On December 19, 1996, the United States International Trade

Commission (ITC) notified the Department of its affirmative preliminary injury determination (see ITC Investigation Nos. 731-TA-753-756). On June 2, 1996, the Department preliminarily determined that CTL plate 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 Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (62 FR 31967 (June 11, 1997)).

The Department and Iscor and Highveld initialed a proposed agreement suspending this investigation on September 25, 1997. On September 26, 1997, we invited interested parties to provide written comments on the agreement and received comments from Geneva Steel, Gulf States Steel, Iscor and Highveld.

The Department and Iscor and Highveld signed the final suspension agreement on October 24, 1997.

#### Scope of Investigation

See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa, signed October 24, 1997.

#### Suspension of Investigation

The Department consulted with the parties to the proceeding and has considered the comments submitted with respect to the proposed suspension agreement. In accordance with Section 734(b) of the Act, we have determined that the agreement will completely eliminate sales at less than fair value, that the agreement is in the public interest, and that the agreement can be monitored effectively. See Public Interest Memorandum, October 24, 1997. We find, therefore, that the criteria for suspension of an investigation pursuant to section 734(b) of the Act have been met. The terms and conditions of this agreement, signed October 24, 1997, are set forth in Annex 1 to this notice.

Pursuant to section 734(f)(2)(A) of the Act, the suspension of liquidation of all entries of cut-to-length carbon steel plate from South Africa entered or withdrawn from warehouse, for consumption, as directed in our Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Cut-to-Length Carbon Steel Plate From South Africa is hereby terminated. Any cash deposits on entries of cut-to-length carbon steel plate from South Africa pursuant to that suspension of liquidation shall be refunded and any bonds shall be released.

On October 14, 1997 we received a request from petitioners requesting that

we continue the investigation. We received separate requests from the United Steelworkers of America, Bethlehem Steel Corp., and U.S. Steel Corp. (a unit of USX Corporation), interested parties under section 771(9)(D) of the Act. Pursuant to these requests, we have completed the investigation in accordance with section 734(g) of the Act, and have notified the International Trade Commission (ITC) of our determination. If the ITC's injury determination is negative, the agreement will have no force or effect, and the investigation will be terminated (see section 734(f)(3)(A) of the Act). If the ITC's determination is affirmative, the Department will not issue an antidumping duty order as long as the suspension agreement remains in force (see section 734(f)(3)(B) of the Act).

This notice is published pursuant to section 734(f)(1)(A) of the Act.

Dated: November 7, 1997.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

#### **Appendix 1—Suspension Agreement Cut-to-Length Carbon Steel Plate From the Republic South Africa**

Under section 734(b) of the Tariff Act of 1930, as amended (19 U.S.C. 1673c(b)) (the Act), and 19 CFR 353.18, the U.S. Department of Commerce (the Department) and the signatory producers/exporters of cut-to-length carbon steel plate from the Republic of South Africa enter into this suspension agreement (the Agreement). On the basis of this suspension agreement, the Department shall suspend its antidumping investigation initiated on December 3, 1996 (61 FR 64051), with respect to cut-to-length carbon steel plate from the Republic of South Africa, subject to the terms and provisions forth below.

##### **(A) Product Coverage**

The merchandise subject to this Agreement is the following merchandise which has the Republic of South Africa as its origin:

(1) For purposes of the Agreement, cut-to-length carbon steel plate includes 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.

(2) Included as subject merchandise in this Agreement 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 beveled 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. Excluded from subject merchandise within the scope of this agreement is grade X-70 plate. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this Agreement is dispositive.

##### **(B) U.S. Import Coverage**

The signatory producers/exporters collectively are the producers and exporters in the Republic of South Africa that, during the antidumping investigation on the merchandise subject to the Agreement, accounted for substantially all (not less than 85 percent) of the subject merchandise imported into the United States, as provided in the Department's regulations. The Department may at any time during the period of the Agreement require additional producers/exporters in the Republic of South Africa to sign the Agreement in order to ensure that not less than substantially all imports into the United States are covered by the Agreement.

In reviewing the operation of the Agreement for the purpose of determining whether this Agreement has been violated or is no longer in the public interest, the Department will consider imports into the United States from all sources of the merchandise described in Section A of the Agreement. For this purpose, the Department will consider factors including, but not limited to, the following: volume of trade, pattern of trade, whether or not the reseller is an original equipment manufacturer, and the reseller's export price (EP).

##### **(C) Basis of the Agreement**

On and after the effective date of the Agreement, each signatory producer/exporter individually agrees to make any necessary price revisions to eliminate completely any amount by which the normal value (NV) of this merchandise exceeds the U.S. price of its merchandise subject to the Agreement. For this purpose, the Department will determine the NV in accordance with section 773(e) of the Act and U.S. price in accordance with section 772 of the Act.

(1) For all sales occurring on and after the effective date of the Agreement through March 31, 1998 (interim period), each signatory producer/exporter agrees not to sell its merchandise subject to the Agreement to unaffiliated purchasers in the United States at prices that are less than its NV, as determined by the Department, and provided to parties not later than November 7, 1997; and

(2) For all sales occurring on and after April 1, 1998, each producer/exporter agrees

not to sell its merchandise subject to the Agreement to any unaffiliated purchaser in the United States at prices that are less than the NV of the merchandise, as determined by the Department on the basis of information submitted to the Department not later than the dates specified in section D of the Agreement and provided to parties not later than December 10, March 10, June 10, and September 10 of each year. This NV shall apply to sales occurring during the fiscal quarter beginning on the first day of the month following the date the Department provides the NV, as stated in this paragraph.

##### **(D) Monitoring**

Each signatory producer/exporter will supply to the Department all information that the Department decides is necessary to ensure that the producer/exporter is in full compliance with the terms of the Agreement. As explained below, the Department will provide each signatory producer/exporter a detailed request for information and prescribe a required format and method of data compilation, not later than the beginning of each reporting period.

##### **(1) Sales Information**

The Department will require each producer/exporter to report, on computer tape in the prescribed format and using the prescribed method of data compilation, each sale of the merchandise subject to the Agreement, either directly or indirectly to unaffiliated purchasers in the United States, including each adjustment applicable to each sale, as specified by the Department.

The first report of sales data shall be submitted to the Department, on computer tape in the prescribed format and using the prescribed method of data compilation, not later than January 31, 1998, and shall contain the specified sales information covering the period October 24, 1997, to December 31, 1997. Subsequent reports of sales data shall be submitted to the Department not later than January 31, April 30, July 31, and October 31 of each year, and each report shall contain the specified sales information for the quarterly period ending one month prior to the due date, except that if the Department receives information that a possible violation of the Agreement may have occurred, the Department may request sales data on a monthly, rather than quarterly basis.

##### **(2) Cost Information**

Producer/exporters must request NVs for all subject merchandise that will be sold in the United States. For those products which the producer/exporter is requesting NVs, the Department will require each producer/exporter to report: their actual cost of manufacturing; selling, general and administrative (SG&A) expenses; and profit data on a quarterly basis, in the prescribed format and using the prescribed method of data compilation. As indicated in Appendix B, profit will be reported by the producers/exporters on a quarterly basis. Each such producer/exporter also must report anticipated increases in production costs and may report anticipated decreases in production costs in the quarter in which the information is submitted resulting from factors such as anticipated changes in

production yield, changes in production process, changes in production quantities or changes in production facilities.

The first report of cost data for the post-interim period shall be submitted to the Department not later than January 20, 1998, and shall contain the specified cost data covering the period October 1, 1997, through December 31, 1997. Each subsequent report shall be submitted to the Department not later than January 20, April 20, July 20, and October 20 of each year, and each report shall contain specified information for the quarter ending one month prior to the due date.

(3) Special Adjustment of Normal Value

If the Department determines that the NV it determined for a previous quarter was erroneous because the reported costs for that period were inaccurate or incomplete, or for any other reason, the Department may adjust NV in a subsequent period or periods, unless the Department determines that Section F of the Agreement applies.

(4) Verification

Each producer/exporter agrees to permit full verification of all cost and sales information semi-annually, or more frequently, as the Department deems necessary.

(5) Bundling or Other Arrangements

Producers/exporters agree not to circumvent the Agreement. In accordance with the date set forth in Section D(1) of the Agreement, producers/exporters will submit a written statement to the Department certifying that the sales reported herein were not, or are not part of or related to, any bundling arrangement, on-site processing arrangement, discounts/free goods/financing package, swap or other exchange where such arrangement is designed to circumvent the basis of the Agreement.

Where there is reason to believe that such an arrangement does circumvent the basis of the Agreement, the Department will request producers/exporters to provide within 15 days all particulars regarding any such arrangement, including, but not limited to, sales information pertaining to covered and non-covered merchandise that is manufactured or sold by producers/exporters. The Department will accept written comments, not to exceed 30 pages, from all parties no later than 15 days after the date of receipt of such producer/exporter information.

If the Department, after reviewing all submissions, determines that such arrangement circumvents the basis of the Agreement, it may, as it deems most appropriate, utilize one of two options: (1) the amount of the effective price discount resulting from such arrangement shall be reflected in the NV in accordance with Section D(3), or (2) the Department shall determine that the Agreement has been violated and take action according to the provisions under Section F.

(6) Rejection of Submissions

The Department may reject any information submitted after the deadlines set forth in this section or any information which it is unable to verify to its satisfaction. If information is not submitted in a complete

and timely fashion or is not fully verifiable, the Department may calculate normal value, NV, and/or U.S. price based on facts otherwise available, as it determines appropriate, unless the Department determines that Section F applies.

(E) Disclosure and Comment

(1) The Department may make available to representatives of each domestic party to the proceeding, under appropriately drawn administrative protective orders, business proprietary information submitted to the Department during reporting period as well as the results of its analysis under section 773 of the Act.

(2) Not later than February 20, May 20, August 20, and November 20 of each year, the Department will disclose to each producer/exporter the results and the methodology of the Department's calculations of its NV. At that time, the Department may also make available such information to the domestic parties to the proceeding, in accordance with this section.

(3) Not later than 7 days after the date of disclosure under paragraph E(2), the parties to the proceeding may submit written comments to the Department, not to exceed 15 pages. After reviewing these submissions, the Department will provide to each producer/exporter its NV as provided in paragraph C(2). In addition, the Department may provide such information to domestic interested parties as specified in this section.

(F) Violations of the Agreement

If the Department determines that the Agreement is being or has been violated or no longer meets the requirements of section 734(b) or (d) of the Act, the Department shall take action it determines appropriate under section 734(i) of the Act and the regulations. In the event that the Department determines that the investigation shall be resumed, it will be resumed on the basis of the original administrative record, and the statutes, regulations, policies, and practices in effect on the effective date of the Agreement.

(G) Other Provision

In entering into the Agreement, the signatory producers/exporters do not admit that any sales of the merchandise subject to the Agreement have been made at less than fair value.

(H) Termination

The Department will not consider requests for termination of this suspended investigation prior to October 2002. Termination will be conducted in accordance with section 351.222 of the Department's regulations.

Any producer/exporter may terminate the Agreement at any time upon notice to the Department. Termination shall be effective 60 days after such notice is given to the Department. Upon termination, the Department shall follow the procedures outlined in section 734(i)(1) of the Act.

(I) Definitions

For purposes of the Agreement, the following definitions apply:

(1) U.S. PRICE—means the export price or constructed export price at which

merchandise is sold by the producer or exporter to the first unaffiliated person in the United States, including the amount of any discounts, rebates, price protection or ship and debit adjustments, and other adjustments affecting the net amount paid or to be paid by the unaffiliated purchaser, as determined by the Department under section 772 of the Act.

(2) NORMAL VALUE—means the constructed value (CV) of the merchandise, as determined by the Department under section 773 of the Act and the corresponding sections of the Department's regulations, and as adjusted in accordance with Appendix A to this Agreement.

(3) PRODUCER/EXPORTER—means (1) the foreign manufacturer or producer, (2) the foreign producer or reseller which also exports, and (3) the affiliated person by whom or for whose account the merchandise is imported into the United States, as defined in section 771(28) of the Act.

(4) DATE OF SALE—means normally the date of the invoice as recorded in the exporter or producer's records kept in the ordinary course of business, unless the Department determines that a different date better reflects the date on which the exporter or producer establishes the material terms of sale, as determined by the Department under its regulations.

The effective date of the Agreement is October 24, 1997.

*For the Republic of South African Producers/Exporters*  
Iscor Ltd.

Marcela B. Stras, Esq., Adduci, Mastriani & Schaumberg, LLP

Date

Highveld Steel and Vanadium Corp. Ltd.

Jeff Chegwiddden, Director & General Manager  
Marketing

Date

*For U.S. Department of Commerce*

Robert S. LaRussa, Assistant Secretary for  
Import Administration

Date

**Appendix A—Cut-to-Length Carbon Steel Plate From the Republic of South Africa Principles of Cost**

**General Framework**

The cost information reported to the Department that will form the basis of the NV calculations for purposes of the Agreement must be:

- Comprehensive in nature and based on a reliable accounting system (i.e., a system based on well-established standards that can be tied to the audited financial statements);
- Representative of the company's costs incurred for the general class of merchandise;
- Calculated on a quarterly weighted-average basis of the plants or cost centers manufacturing the product;
- Based on fully-absorbed costs of production, including any downtime;

- Valued in accordance with generally accepted accounting principles;
- Reflective of appropriately allocated common costs so that the costs necessary for the manufacturing of the product are not absorbed by other products; and
- Reflective of the actual cost of producing the product.

Additionally, a single figure should be reported for each cost component.

#### Cost of Manufacturing (COM)

Costs of manufacturing are reported by major cost category and for major stages of production. Weighted-average costs are used for a product that is produced at more than one facility, based on the cost at each facility.

**Direct materials**—cost of those materials which are input into the production process and physically become part of the final product.

**Direct labor**—cost identified with a specific product. These costs are not allocated among products except when two or more products are produced at the same cost center. Direct labor costs should include salary, bonus and overtime pay, training expenses, and all fringe benefits. Any contracted-labor expense should reflect the actual billed cost or the actual costs incurred by the subcontractor when the corporation has influence over the contractor.

**Factory overhead**—overhead costs include indirect materials, indirect labor, depreciation, and other fixed and variable expenses attributable to a production line or factory. Because overhead costs are typically incurred for an entire production line, an appropriate portion of those costs must be allocated to covered products, as well as any other products produced on that line. Acceptable cost allocations can be based on labor hours or machine hours. Overhead costs should also reflect any idle or downtime and be fully absorbed by the products.

#### Cost of Production (COP)

Is equal to the sum of materials, labor, and overhead (COM) plus SG&A expenses in the home market (HM).

**SG&A**—those expenses incurred for the operation of the corporation as a whole and not directly related to the manufacture of a particular product. They include corporate general and administrative expenses, financing expenses, and general research and development expenses. Additionally, direct and indirect selling expenses incurred in the HM for sales of the product under investigation are included. Such expenses are allocated over cost of goods sold.

#### Constructed Value

Is equal to the sum of materials, labor and overhead (COM) and SG&A expenses plus profit in the comparison market and the cost of packing for exportation to the United States.

#### Calculation of Suspension Agreement NVs

NVs (for purposes of the Agreement) are calculated by adjusting the CV and are provided for both EP and CEP transactions. In effect, any expenses uniquely associated with the covered products sold in the HM are subtracted from the CV, and any such

expenses which are uniquely associated with the covered products sold in the United States are added to the CV to calculate the NV.

**Export Price**—Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated person occurs before the goods are imported into the United States. In cases where the foreign manufacturer knows or has reason to believe that the merchandise is ultimately destined for the United States, the manufacturer's sale is the sale subject to review. If, on the other hand, the manufacturer sold the merchandise to a foreign trader without knowledge of the trader's intention to export the merchandise to the United States, then the trader's first sale to an unaffiliated person is the sale subject to review. For EP NVs, the CV is adjusted for movement costs and differences in direct selling expenses such as commissions, credit, warranties, technical services, advertising, and sales promotion.

**Constructed Export Price**—Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated person occurs after importation. However, if the first sale to the unaffiliated person is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation, unless the U.S. affiliate performs only clerical functions in connection with the sale. For CEP NVs, the CV is adjusted similar to EP sales, with differences for adjustment to U.S. and HM indirect-selling expenses.

**Home market direct-selling expenses**—expenses that are incurred as a direct result of a sale. These include such expenses as commissions, advertising, discounts and rebates, credit, warranty expenses, freight costs, etc. Certain direct-selling expenses are treated individually. They include:

**commission expenses**—payments to unaffiliated parties for sales in the HM.  
**credit expenses**—expenses incurred for the extension of credit to HM customers.  
**movement expenses**—freight, brokerage and handling, and insurance expenses.

**U.S. direct-selling expenses**—the same as HM direct-selling expenses except that they are incurred for sales in the United States.

**Movement expenses**—additional expenses incidental to importation into the United States. These typically include U.S. inland freight, insurance, brokerage and handling expenses, U.S. Customs duties, and international freight.

**U.S. indirect-selling expenses**—include general fixed expenses incurred by the U.S. sales subsidiary or affiliated exporter for sales to the United States. They may also include a portion of indirect expenses incurred in the HM for export sales.

#### FOR EP TRANSACTIONS

+	direct materials
+	direct labor
+	factory overhead
=	Cost of Manufacturing
+	home market SG&A
=	Cost of Production
+	U.S. packing
+	Profit
=	Constructed Value
+	U.S. direct selling expense
+	U.S. commission expense
+	U.S. movement expense
+	U.S. credit expense
—	HM direct selling expense
—	HM commission expense <sup>1</sup>
—	HM credit expense
=	NV for EP sales

<sup>1</sup> If the company does not have HM commissions, HM indirect expenses are subtracted only up to the amount of the U.S. commissions.

#### FOR CEP TRANSACTIONS

+	direct materials
+	direct labor
+	factory overhead
=	Cost of Manufacturing
+	home market SG&A
=	Cost of Production
+	U.S. packing
+	profit
=	Constructed Value
+	U.S. direct selling expense
+	U.S. indirect selling expense
+	U.S. commission expense
+	U.S. movement expense
+	U.S. credit expense
+	U.S. further manufacturing expenses (if any)
+	CEP profit
—	HM direct selling expense
—	HM commission expense
—	HM credit expense
=	NV for CEP sales

[FR Doc. 97-30390 Filed 11-18-97; 8:45 am]

BILLING CODE 3510-DS-P

#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[A-823-808]

#### Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From Ukraine

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

**EFFECTIVE DATE:** November 19, 1997.

**FOR FURTHER INFORMATION CONTACT:** Nithya Nagarajan at (202) 482-1324 or Eugenia Chu at (202) 482-3964, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.