products from the Netherlands by Hoogovens Staal B.V. (Hoogovens).

Analysis of Comments Received

Hoogovens argues that the Department inadvertently used the wrong denominator to arrive at the per ton factor in reclassifying Hoogovens' warranty expenses as direct, rather than indirect expenses. The Department divided the total warranty expenses incurred during the period of March 1994–July 1996 (''window period'') by the total sales entered into the United States during the period of review of August 1995–July 1996, instead of the total shipments during the window period. According to Hoogovens, this resulted in a considerable overstatement of U.S. warranty expenses. For the home market warranty expenses, the Department used as the denominator the home market sales during the window period rather than the shipments, resulting in a slight overstatement of per ton expenses. Finally, after deducting warranty expenses from the reported home market indirect selling expenses (ISE), the Department allocated the remaining ISE on the basis of the quantity sold. Hoogovens alleges that the Department's practice is to require that ISE be reported as a percentage of sales value rather than on the basis of quantity.

Petitioners argue that the Department allocated the expenses exactly as described in its analysis memorandum. Moreover, petitioners point out, the Department found in its final results that Hoogovens had improperly failed to report its warranty expenses as direct selling expenses based on the tonnages sold. While petitioners argued in their case brief that the Department should deny any adjustment for the reported expense in the home market, in petitioners' view the Department's decision to allocate these expenses based on the tonnages in Hoogovens' reported data is consistent with the Department's stated intention and cannot be said to be a ministerial error. Finally, petitioners argue that Hoogovens' questioning of the Department's allocation of ISE raises a policy issue, not a ministerial error.

We agree in part with Hoogovens. For these amended final results we have corrected the denominators to correspond to the same period as the numerators. We disagree with the petitioners' claim that these were not ministerial errors. We did not intend to calculate a ratio in which the denominator and numerator were based on data covering different periods. Accordingly, we find this error to be ministerial within the meaning of 19 CFR 353.28(d).

In regard to the allocation of ISE, we agree with petitioners that this raises a methodological issue, not a ministerial error. We believe that the Department's allocation based on quantity rather than value is reasonable, and have adjusted the denominator to correspond to the quantities shipped in the home market during the extended window period.

Amended Final Results of Review

As a result of our correction of ministerial errors, we have determined the margin to be:

Manufacturer/exporter	Period of review	Margin (percent)
Hoogovens Staal B.V. ..	8/1/95–7/31/96	4.32

Further, as a result of these corrections, we find that there are dumping margins on 84.3 percent of Hoogovens' U.S. sales by quantity. In the absence of any information on the record that the unaffiliated purchasers in the United States will pay the ultimately assessed duties, the Department finds that respondent has absorbed antidumping duties on 84.3 percent of its U.S. sales.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. For assessment purposes, the duty assessment rate will be a specific amount per metric ton. The Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of review for all shipments of cold-rolled carbon steel flat products from the Netherlands entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate for that firm as stated above; (2) if the exporter is not a firm covered in this review, or the original less than fair value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (3) if neither the exporter nor the manufacturer is a firm covered in this review, the cash deposit rate will be 19.32 percent. This is the ''all others'' rate from the amended final determination in the LTFV investigation. See Amended Final Determination Pursuant to CIT Decision: Certain Cold-Rolled Carbon Steel Flat Products from the Netherlands, 61 FR 47871. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under section 353.26 of the Department's regulations 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 notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with section 353.34(d) of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

These amended final results of administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.28(c).

Dated: April 17, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–11000 Filed 4–24–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–351–827, A–580–833, A–201–821]

Initiation of Antidumping Investigations: Emulsion Styrene-Butadiene Rubber from Brazil, the Republic of Korea, and Mexico

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

EFFECTIVE DATE: April 27, 1998.

FOR FURTHER INFORMATION CONTACT: David Genovese, at (202) 482–0498, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

Initiation of Investigations

The Applicable Statute and Regulations

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 Department's regulations are to the regulations published in the **Federal Register** on May 19, 1997 (62 FR 27296).

The Petition

On April 1, 1998, the Department of Commerce (the Department) received a petition filed in proper form by Ameripol Synpol Corporation and DSM Copolymer. On April 3, 1998, the Department received an amendment to the petition. On April 13, 1998, the Department received supplemental information to the petition that it had requested from the petitioners.

In accordance with section 732(b) of the Act, the petitioners allege that imports of emulsion styrene-butadiene rubber (ESBR) from Brazil, the Republic of Korea (Korea), and Mexico are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring an industry in the United States.

The Department finds that the petitioners filed the petition on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) and (D) of the Act and they have demonstrated sufficient industry support (see discussion below).

Scope of Investigations

For purposes of these investigations, the product covered is ESBR. ESBR is a synthetic polymer made via free radical cold emulsion copolymerization of styrene and butadiene monomers in reactors. The reaction process involves combining styrene and butadiene monomers in water, with an initiator system, an emulsifier system, and molecular weight modifiers. ESBR consists of cold non-pigmented rubbers and cold oil extended non-pigmented rubbers that contain at least one percent of organic acids from the emulsion polymerization process.

ESBR is produced and sold, both inside the United States and internationally, in accordance with a generally accepted set of product specifications issued by the International Institute of Synthetic Rubber Producers (IISRP). The universe of products subject to these investigations are grades of ESBR included in the IISRP 1500 series and IISRP 1700 series of synthetic rubbers. The 1500 grades are light in color and are often described as ''Clear'' or ''White Rubber.'' The 1700 grades are oil-extended and thus darker in color, and are often called ''Brown Rubber.'' ESBR is used primarily in the production of tires. It is also used in a variety of other products, including conveyor belts, shoe soles, some kinds of hoses, roller coverings, and flooring.

Products manufactured by blending ESBR with other polymers, high styrene resin master batch, carbon black master batch (*i.e.*, IISRP 1600 series and 1800 series) and latex (an intermediate product) are not included within the scope of these investigations.

The products under investigation are currently classifiable under subheading 4002.19.0010 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

During our review of the petition, we discussed the scope with the petitioners to ensure that the scope in the petition accurately reflects the product for which they are seeking relief. As we discussed in the preamble to the new regulations (62 FR 27323), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments by May 18, 1998. Comments should be addressed to Import Administration's Central Records Unit at Room 1874, U.S. Department of Commerce, Pennsylvania Avenue and 14th Street, NW, Washington, D.C., 20230. This period of scope consultation is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determinations.

Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (1) at least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition.

Section 771(4)(A) of the Act defines the ''industry'' as the producers of a domestic like product. Thus, to determine whether the petition has the requisite industry support, the statute directs the Department to look to producers and workers who account for production of the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether the domestic industry has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory provision regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the domestic like product, such differences do not render the decision of either agency contrary to the law.[1] Section 771(10) of the Act defines domestic like product as ''a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.'' Thus, the reference point from which the domestic like product analysis begins is ''the article subject to an investigation,'' i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition.

The domestic like product referred to in the petition is the single domestic like product defined in the ''Scope of Investigation'' section, above. The Department has no basis on the record to find the petition's definition of the domestic like product to be inaccurate. The Department has, therefore, adopted the domestic like product definition set forth in the petition. In addition, the petitioners established that they represent more than 50 percent of domestic production of the like product. This level of industry support is above the statutory requirement. Accordingly, the Department determines that the petition is filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Export Price and Normal Value

The following are descriptions of the allegations of sales at less than fair value

[1] See *Algoma Steel Corp., Ltd.* v. *United States,* 688 F. Supp. 639, 642–44 (CIT 1988); High Information Content Flat Panel Displays and Display Glass Therefor from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition, 56 FR 32376, 32380–81 (July 16, 1991).

upon which our decisions to initiate these investigations are based. Should the need arise to use any of this information in our preliminary or final determinations for purposes of facts available under section 776 of the Act, we may re-examine the information and revise the margin calculations, if appropriate.

Brazil

The petitioners identified Petroflex Industria e Comercio S.A. (Petroflex) as the sole exporter and producer of ESBR from Brazil. The petitioners based export price on U.S. prices in call reports generated by the petitioners' sales personnel in the normal course of business and obtained from various customers over the last 12 months for ESBR grades 1502 and 1712, the grades the petitioners claim are those used most extensively by the tire industry. The petitioners converted U.S. prices quoted in dollars per pound to dollars per metric ton by multiplying the per pound amounts by 2204.60 pounds per metric ton. The petitioners calculated net U.S. prices by subtracting an estimate of the international freight and insurance expenses incurred to transport the subject merchandise from the factory to a port in the United States or to the U.S. customer, depending on the terms of sale specified in the call reports. Where the terms of sale were not specified in the call report, the petitioners assumed that the terms of sale were FOB Brazil and no freight expense was deducted from the U.S. price. The petitioners estimated the cost of international freight and insurance based upon the difference in the CIF values and the U.S. Customs values reported in the official U.S. import statistics for 1997.

With respect to normal value (NV), the petitioners obtained from a local business contact in Brazil prices for contemporaneous sales of ESBR grades 1502 and 1712 from Petroflex to a Brazilian consumer. Because home market prices were quoted in U.S. dollars, prices were converted from U.S. dollars to reals for purposes of making adjustments based on the daily exchange rate corresponding to the date of the price quotes. Daily exchange rates for 1997 were obtained from the database of exchange rates maintained by Import Administration on the internet. Daily exchange rates for 1998 were obtained from The Money Exchange (internet address www.oanda.com). When comparing normal value to U.S. price, the petitioners used the daily exchange rate corresponding to the effective date of each U.S. sale to convert the normal values to U.S. dollars. The petitioners calculated net home market prices by subtracting an amount for the estimated expense incurred by Petroflex to deliver the merchandise to the Brazilian consumer. This estimate was provided by the local business contact noted above.

The petitioners made a circumstance of sale adjustment for imputed credit expenses by subtracting home market credit expenses and by adding U.S. credit expenses to the net home market prices calculated in the petition. The petitioners calculated home market imputed credit expenses based on payment terms of net 35 days, as reported by the local business contact, and the annual average Brazilian bank rate published by the International Financial Statistics of 26.4 percent. The petitioners calculated U.S. credit expenses based on payment terms of net 30 days and the annual average lending rate in the United States published in the International Financial Statistics of 8.44 percent. The petitioners did not adjust the reported prices for differences in packing costs because the petitioners assumed that packing costs were the same for home market and for U.S. sales.

Comparison of NV and net U.S. prices for sales of ESBR from Brazil results in estimated dumping margins that range from 17.77 percent to 71.08 percent.

Korea

The petitioners identified two exporters and producers of ESBR: Korea Kumho Petrochemical Company (Kumho) and Hyundai Petrochemical Co., Ltd. (Hyundai). The petitioners based export price on U.S. prices in call reports generated by the petitioners' sales personnel in the normal course of business and obtained from various customers over the last 12 months for ESBR grades 1502 and 1712. The petitioners converted U.S. prices quoted in dollars per pound to dollars per metric ton by mulitplying the per pound amounts by 2204.60 pounds per metric ton. The petitioners calculated net U.S. prices by subtracting an estimate of the international freight and insurance expenses incurred to transport the subject merchandise from the factory to a port in the United States or to the U.S. customer, depending on the terms of sales specified in the call reports. Where the terms of sale were not specified in the call reports, the petitioners assumed that the terms of sale were FOB Korea and no freight expense was deducted from the U.S. price. The petitioners estimated the cost of international freight and insurance based upon the difference in the CIF values and the U.S. Customs values reported in the official U.S. import statistics for 1997.

With respect to NV, the petitioners obtained from local business contacts in Korea prices for contemporaneous sales of ESBR grades 1502 and 1712 from Kumho to Korean consumers. For Hyundai, the petitioners obtained from local business contacts in Korea prices for contemporaneous sales of ESBR grades 1500/1500H (rather than 1502) and 1712 from Hyundai to Korean consumers. However, the petitioners provided documentation to show that ESBR grades 1500/1500H and 1502 are priced the same by Hyundai in Korea. Due to the volatility in the exchange rate, the petitioners received a set of price quotes from one producer for a period before exchange rate volatility set in, as well as for a period after the Korean won plummeted in value. Where home market prices were quoted in U.S. dollars, prices were converted from U.S. dollars to won for purposes of making adjustments based on the daily exchange rate corresponding to the effective date of the price quote. Daily exchange rates for 1997 were obtained from the database of exchange rates maintained by Import Administration on the internet. Daily exchange rates for 1998 were obtained from The Money Exchange (internet address www.oanda.com). When comparing normal value to U.S. price, the petitioners used the daily exchange rate corresponding to the effective date of each U.S. sale to convert the normal values to U.S. dollars. The petitioners calculated net home market prices by subtracting an amount for the estimated expense incurred by Hyundai and Kumho to deliver the merchandise to the consumer in Korea. This estimate was provided by the local business contact noted above.

The petitioners made a circumstance of sale adjustment for imputed credit expenses by subtracting home market credit expenses and by adding U.S. credit expenses to the net home market prices calculated in the petition. The petitioners calculated home market imputed credit expenses based on the typical credit terms for ESBR in Korea as obtained by local business contacts of 90 days, and the average corporate bond rate in Korea published by the International Financial Statistics for August 1997, of 12.1 percent (to reflect the corporate bond rate before the won depreciated), and October 1997, of 12.5 percent (to reflect the corporate bond rate after the won depreciated). See Exhibit 8 of the petition. The petitioners calculated U.S. credit expenses based on payment terms of net 30 days, and the annual average lending rate in the

United States published in the International Financial Statistics of 8.44 percent. The petitioners did not adjust the reported prices for differences in packing costs because the petitioners assumed that packing costs were the same for home market and for U.S. sales.

Comparison of NV and net U.S. prices for sales of ESBR from Korea results in estimated dumping margins that range from 14.92 percent to 118.88 percent.

Mexico

The petitioners identified Industrias Negromex, S.A. de C.V. (Negromex) as the sole exporter and producer of ESBR from Mexico. The petitioners based export price on contemporaneous price quotes to an unaffiliated U.S. consumer and U.S. prices in call reports generated by the petitioners' sales personnel in the normal course of business over the last 12 months for grades 1502 and 1712. The petitioners converted U.S. prices quoted in dollars per pound to dollars per metric ton by multiplying the per pound amounts by 2204.60 pounds per metric ton. The petitioners calculated net U.S. prices by subtracting an estimate of the international freight and insurance expenses incurred to transport the subject merchandise from the factory to a port in the United States or to the U.S. customer, depending on the terms of sales specified in the call reports. Where the terms of sale were not specified in the call report, the petitioners assumed that the terms of sale were FOB Mexico and no freight expense was deducted from the U.S. price. The petitioners estimated the cost of international freight and insurance based upon the difference in the CIF values and the U.S. Customs values reported in the official U.S. import statistics for 1997.

With respect to NV, the petitioners obtained from a local business contact in Mexico contemporaneous price quotes for ESBR grades 1502 and 1712 from Negromex to Mexican consumers of ESBR. The petitioners converted home market prices quoted in pesos per kilogram to U.S. dollars per metric ton by using a conversion ratio of one kilogram equals 1/1000 metric tons and the Mexican pesos/U.S. dollar exchange rate in effect on the date of the U.S. sale. Daily exchange rates for 1997 were obtained from the database of exchange rates maintained by Import Administration on the internet. Daily exchange rates for 1998 were obtained from The Money Exchange (internet address www.oanda.com).

The petitioners made a circumstance of sale adjustment for imputed credit expenses by subtracting home market credit expenses and by adding U.S. credit expenses to the net home market prices calculated in the petition. The petitioners calculated home market imputed credit expenses based on payment terms of net 60 days, as reported by the local business contacts, and the annual average Mexican Treasury bill rate published by the International Financial Statistics of 19.80 percent. The petitioners calculated U.S. credit expenses based on payment terms of net 30 days and the annual average lending rate in the United States published in the International Financial Statistics of 8.44 percent. The petitioners did not adjust the reported prices for differences in packing costs because the petitioners assumed that packing costs were the same for home market and for U.S. sales.

Comparison of NV and net U.S. prices for sales of ESBR from Mexico results in estimated dumping margins that range from 6.06 percent to 25.16 percent.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of ESBR from Brazil, Korea, and Mexico are being, or are likely to be, sold at less than fair value.

Allegations and Evidence of Material Injury and Causation

The petition alleges that the U.S. industry producing the domestic like product is being materially injured, and is threatened with material injury, by reason of imports of the subject merchandise sold at less than NV. The allegations of injury and causation are supported by relevant evidence including business proprietary data from the petitioning firms and U.S. Customs import data. The Department assessed the allegations and supporting evidence regarding material injury and causation and determined that these allegations are sufficiently supported by accurate and adequate evidence and meet the statutory requirements for initiation.

Initiation of Antidumping Investigations

We have examined the petition on ESBR and have found that it meets the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of ESBR from Brazil, Korea, and Mexico are being, or are likely to be, sold in the United States at less than fair value. Unless extended, we will make our preliminary determinations for the antidumping duty investigations by September 8, 1998.

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of each petition has been provided to the representatives of the governments of Brazil, Korea, and Mexico. We will attempt to provide a copy of the public version of the petition to each exporter named in the petition (as appropriate).

International Trade Commission Notification

We have notified the ITC of our initiations, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will determine by May 18, 1998, whether there is a reasonable indication that imports of ESBR from Brazil, Korea, and Mexico are causing material injury, or threatening to cause material injury, to a U.S. industry. Negative ITC determinations will result in the particular investigations being terminated; otherwise, the investigations will proceed according to statutory and regulatory time limits.

Dated: April 21, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–11148 Filed 4–24–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–838]

Agreement Suspending the Antidumping Investigation on Honey From the People's Republic of China

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

ACTION: Notice of amendment to the agreement between the United States Department of Commerce and the Government of the People's Republic of China Suspending the Antidumping Investigation on Honey from the People's Republic of China.

SUMMARY: The Department of Commerce and the Government of the People's Republic of China have signed an Amendment to the Agreement Suspending the Antidumping Investigation on Honey from China.

EFFECTIVE DATE: July 1, 1998.

FOR FURTHER INFORMATION CONTACT: Abdelali Elouaradia at 202/482–2243, or