

verified that the production quantity was double counted.

**Comment 5: Bill of Exchange Payment Date**

Saarstahl asserts that it properly reported the date it received a bill of exchange from a home market customer as the payment date for purposes of calculating imputed credit. Saarlstahl states that a bill of exchange is a negotiable monetary instrument that has a cash value on the date of its receipt, thus Saarlstahl's reporting of the bill receipt in the same manner as a cash payment was proper.

**DOC Position:** We have made no changes to Saarlstahl's reporting of sales paid by a bill of exchange. Even if a bill of exchange receipt were considered to be equivalent to a cash payment, in these particular circumstances, there is no significant difference in calculating imputed credit between Saarlstahl's reporting method, which includes an extra fee charged to the customer to account for either the extra payment period or discounting of the bill at a bank (see Verification Report at pages 23-24), and a methodology based on the actual date cash was received. Therefore, for purposes of this review, we have made no adjustment.

**Final Results of the Review**

As a result of this review, we have determined that the following margins exist for the period March 1, 1997 through February 28, 1998:

Manufacturer/ exporter	Period	Margin (percent)
Saarstahl AG (Saarlstahl)	3/1/97-2/28/98	0.00

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. We have calculated an importer-specific assessment rate based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those same sales. This rate will be assessed uniformly on all entries of that particular importer made during the POR. The Department will issue appropriate appraisal instructions directly to the Customs Service. In accordance with 19 CFR 351.106(c)(2), we will instruct the Customs Service to liquidate without regard to antidumping duties all entries of the subject merchandise during the POR for which the importer-specific assessment rate is zero or *de minimis* (i.e., less than 0.50 percent).

Further, the following deposit requirements shall be effective for all

shipments of the subject merchandise from Germany that are entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rate for Saarlstahl will be the rate established above in the "Final Results of Review" section; (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters of this merchandise will continue to be 85.05 percent, the all others rate established in the final determination of the LTFV investigation (58 FR 6205, January 27, 1993).

The deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) 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 serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulation and the terms of an APO is a sanctionable violation.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221.

Dated: July 30, 1999.

**Joseph A. Spetrini,**  
Acting Assistant Secretary for Import Administration.

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-412-810]

**Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom: Final Results of Antidumping Administrative Review**

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

**ACTION:** Notice of final results of antidumping duty administrative review.

**SUMMARY:** On April 6, 1999, the Department of Commerce published the preliminary results of the administrative review of the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom (64 FR 16699). This review covers British Steel Engineering Steels Limited, a manufacturer/exporter of the subject merchandise to the United States, and the period March 1, 1997, through February 28, 1998. We gave interested parties an opportunity to comment on the preliminary results. Based on our analysis of the comments received and the correction of certain data, the final results differ from the preliminary results. The final results are listed below in the "Final Results of Review" section of this notice.

**EFFECTIVE DATE:** August 9, 1999.

**FOR FURTHER INFORMATION CONTACT:** Rebecca Trainor or Kate Johnson, Office 2, AD/CVD Enforcement Group I, Import Administration, Room B099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-4007, or (202) 482-4929, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On April 6, 1999, the Department of Commerce (the Department) published in the **Federal Register** the preliminary results of the 1997-1998 administrative review of the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom (64 FR 16699) (*Preliminary Results*). On June 15, 1999, British Steel Engineering Steels Limited (BSES) submitted its case brief. On June 23, 1999, Ispat Inland Inc. and USS/KOBE Steel Co. (the petitioners), submitted their rebuttal brief. The Department held a hearing on June 25, 1999. The Department has now completed its administrative review in accordance

with section 751 of the Tariff Act of 1930, as amended (the Act).

### Applicable Statute and Regulations

Unless otherwise indicated, all citations to 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 citations to the Department's regulations are to the regulations at 19 CFR part 351 (1998).

### Scope of the Review

The products covered by this review are hot-rolled bars and rods of nonalloy or other alloy steel, whether or not descaled, containing by weight 0.03 percent or more of lead or 0.05 percent or more of bismuth, in coils or cut lengths, and in numerous shapes and sizes. Excluded from the scope of this review are other alloy steels (as defined by the *Harmonized Tariff Schedule of the United States* (HTSUS) Chapter 72, note 1 (f)), except steels classified as other alloy steels by reason of containing by weight 0.4 percent or more of lead, or 0.1 percent or more of bismuth, tellurium, or selenium. Also excluded are semi-finished steels and flat-rolled products. Most of the products covered in this review are provided for under subheadings 7213.20.00.00 and 7214.30.00.00 of the HTSUS. Small quantities of these products may also enter the United States under the following HTSUS subheadings: 7213.31.30.00; 7213.31.60.00; 7213.39.00.30; 7213.39.00.60; 7213.39.00.90; 7213.91.30.00; 7213.91.45.00; 7213.91.60.00; 7213.99.00; 7214.40.00.10, 7214.40.00.30, 7214.40.00.50; 7214.50.00.10; 7214.50.00.30, 7214.50.00.50; 7214.60.00.10; 7214.60.00.30; 7214.60.00.50; 7214.91.00; 7214.99.00; 7228.30.80.00; and 7228.30.80.50. HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of this proceeding is dispositive.

### Duty Absorption

On April 28, 1998, the petitioners requested that the Department determine whether antidumping duties had been absorbed by BSES during the period of review (POR), pursuant to section 751(a)(4) of the Act. Section 751(a)(4) of the Act provides that the Department, if requested, will determine during an administrative review initiated two years or four years after publication of the order whether antidumping duties have been absorbed

by a foreign producer or exporter subject to the order if the subject merchandise is sold in the United States through an importer who is affiliated with such foreign producer or exporter. In this case, BSES sold to the United States through an importer that is affiliated within the meaning of section 751(a)(4) of the Act.

Section 351.213(j)(2) of the Department's regulations provides that, for transition orders as defined in section 751(c)(6)(C) of the Act, *i.e.*, orders in effect on January 1, 1995, the Department will make a duty absorption determination upon request in administrative reviews initiated in 1996 or 1998. *See Antidumping Duties; Countervailing Duties: Final Rule*, 62 FR 27296, 27394, May 19, 1997. This approach ensures that interested parties will have the opportunity to request a duty absorption determination prior to sunset reviews for entries for which the second and fourth years following an order have already passed. Because the order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom has been in effect since 1993, this is a transition order within the meaning of section 751(c)(6)(C) of the Act. Thus, as there has been a request for an absorption determination in this review (initiated in 1998), we are making a duty-absorption determination.

On January 29, 1999, the Department requested proof that unaffiliated purchasers will ultimately pay the antidumping duties to be assessed on entries during the review period. BSES did not respond to the Department's request for information. Accordingly, based on the record, we cannot conclude that the unaffiliated purchaser in the United States will pay the ultimately assessed duty. Therefore, we find that antidumping duties have been absorbed by the producer or exporter during the POR.

We have determined that there is a dumping margin on 63.37 percent of BSES's U.S. sales during the POR. Under these circumstances, therefore, we find that antidumping duties have been absorbed by BSES on 63.37 percent of its U.S. sales of subject merchandise.

### Interested Party Comments

#### *Comment 1: Model Matching Methodology*

BSES argues that the Department should use dimension ranges rather than exact sizes to match products in this review. According to BSES, matching by size range has the advantage of including more home market sales in normal value (NV),

which lessens the possibility that NV will be based on small quantities of non-representative sales. BSES further states that there is an objective and relevant system of dimension ranges inherent in its published price list. Moreover, because the Department has decided to employ dimension ranges in the matching methodology in future reviews, BSES asserts that such ranges should also be used in the present review. BSES adds that the petitioners supported matching dimension ranges in past reviews.

BSES also suggests that in order to decrease distortion and improve its matching methodology, the Department should place the product characteristic that identifies whether the product is in coils or straight (cut) ahead of the product characteristic that identifies the cross-sectional shape of the steel (shape). BSES argues that, because shape is preferred under the Department's current methodology, the Department might match, for example, a hexagonal bar in coil to a hexagonal straight bar, even though coiled bar has different costs, and thus prices, than straight bar of the same diameter and shape. Accordingly, BSES contends that it is important to match coiled bar to coiled bar, and straight bar to straight bar.

The petitioners argue that the Department should not change its model matching methodology at this late point in the current administrative review. The petitioners assert that the Department apparently has not yet decided whether to use actual sizes or size ranges in the 1998–1999 review, nor has it had the opportunity to test the suggested size ranges during a review, such as at a verification. Accordingly, the petitioners urge the Department to reject BSES's request and to continue to use actual size rather than size ranges for model matching purposes in this review.

Furthermore, the petitioners argue that the Department should reject BSES's proposed ranking of cut over shape in the model matching methodology. The petitioners claim that shape is a much more significant matching characteristic than cut, because any shape other than round requires a significant slowdown of the mill, which greatly increases production costs. The petitioners contend that this cost increase is a much more significant cost difference than that involved in the production of coiled versus straight bar. Finally, the petitioners argue that the Department apparently has rejected any revised ranking of cut and shape for purposes of the 1998–1999 review. Therefore, according to the petitioners,

the Department should maintain its ranking of shape before cut in the model matching hierarchy.

**DOC Position:** In the preliminary results of this review, we matched products by exact size rather than by dimension range, and prioritized cut before shape in the model match hierarchy, as we have done throughout the history of this case. The issue of revising the model matching methodology was first raised during the briefing stage of this administrative review, and was precipitated by our solicitation of comments on model matching for the purposes of the 1998–1999 review, and our issuance of a questionnaire for that review period. (See Letters from Irene Darzenta Tzafolias dated April 14, 1999 and June 10, 1999, placed on the record of the 1998–1999 administrative review.) Although we have requested dimension range information for purposes of the 1998–1999 review, we have not yet received and analyzed such information. Furthermore, there is insufficient information on the record of the 1997–1998 review with respect to cut and shape to compel us to change the established matching hierarchy at this late stage of the review. Therefore, we have not revised the model matching methodology in these final results.

#### *Comment 2: Arm's -Length Test*

BSES argues that the Department's arm's-length test program ignores the levels of trade that the Department identified in the preliminary results, comparing prices between affiliated and unaffiliated customers regardless of level of trade. In so doing, BSES claims that the program erroneously causes some customers to fail the arm's-length test. BSES states that the Department has accounted for the effect of level of trade on price, and has performed the arm's-length test by level of trade in other recent cases, such as *Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta From Turkey*, 63 FR 68429, 68432, December 11, 1998 (*Pasta from Turkey*). BSES adds that, by comparing sales prices to unaffiliated customers with sales prices to affiliated customers at the same level of trade, the arm's-length test is not distorted by comparing prices at different levels of trade. Accordingly, BSES asserts, the Department should follow its standard practice in the final results, and account for level of trade in performing the arm's-length test. BSES submits computer programming language to accomplish this change.

BSES also argues that the preliminary margin program contains a clerical error that caused the inadvertent exclusion of

customers from the arm's-length test before the price comparisons were complete. Specifically, when the program failed to find an unaffiliated product match for an affiliated customer, it disqualified that affiliated customer from the test before testing whether the other products sold to that affiliated customer are also sold to unaffiliated customers. BSES contends that if the test is performed correctly, additional affiliated customers pass the arm's-length test. Accordingly, BSES argues, the Department should correct this clerical error for purposes of the final results. BSES submits computer programming language that would correct this error.

The petitioners argue that BSES's suggested computer programming language incorporating level of trade into the arm's-length test appears to be incomplete, because it does not allow for price comparisons at different levels of trade if no product match can be found at the same level of trade. Accordingly, the petitioners contend that the Department should not implement BSES's suggested programming language.

With regard to the clerical error that BSES alleges erroneously excludes customers from the data base before completion of the arm's-length test on all sales to those customers, the petitioners do not object to the correction of this error.

**DOC Position:** We agree with BSES that the preliminary arm's-length test should have accounted for level of trade in making affiliated to unaffiliated price comparisons, in accordance with the Department's practice. See *Pasta from Turkey* at 63 FR at 68432. We also agree with BSES's suggested programming language in this regard, and have changed the arm's-length test program accordingly in the final results.

We disagree with the petitioners that BSES's suggested programming language is incomplete because it does not allow for price comparisons at different levels of trade if no product match can be found at the same level of trade. The purpose of the methodology employed in the Department's arm's-length test is to compare sales prices to unaffiliated customers to sales prices to affiliated customers at the same level of trade. See *Pasta from Turkey*. As BSES points out in its case brief, in this way the arm's-length test measures the true relationship between these prices and is not distorted by price differences attributable to differentiation in levels of trade. Therefore, we have used only those sales of identical products at the same level of trade in making the arm's-length price comparisons.

Finally, we agree with BSES that a clerical error in the arm's-length test prevented the program from performing a complete comparison of affiliated to unaffiliated customer prices. We concur with BSES's suggested programming language in this regard, and have made the necessary corrections to the computer program for the final results.

#### **Final Results of the Review**

As a result of this review, we have determined that the following margin exists for the period March 1, 1997 through February 28, 1998:

Manufacturer/exporter	Period	Margin (percent)
BSES .....	3/1/97–2/28/98	6.17

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. We have calculated an importer-specific assessment rate by aggregating the dumping margins calculated for all examined sales and dividing this amount by the total quantity sold. This rate will be assessed uniformly on all entries of that particular importer made during the POR. The Department will issue appraisal instructions directly to the Customs Service.

Further, the following deposit requirements shall be effective for all shipments of the subject merchandise from the United Kingdom that are entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rate for BSES will be the rate established above in the "Final Results of Review" section; (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters of this merchandise will continue to be 25.82 percent, the all others rate established in the final determination of the less-than-fair-value investigation (58 FR 15324, March 22, 1993). The deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility

under 19 CFR 351.402(f) 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 serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulation and the terms of an APO is a sanctionable violation.

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221.

Dated: July 30, 1999.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-475-818]

#### Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta From Italy

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

**SUMMARY:** The Department of Commerce is conducting an administrative review of the antidumping duty order on certain pasta (pasta) from Italy. This review covers shipments to the United States by seven respondents during the period of review (POR) July 1, 1997, through June 30, 1998.

We preliminarily find that, for certain respondents, sales of the subject merchandise have been made below normal value. If these preliminary results are adopted in the final results, we will instruct the Customs Service to assess antidumping duties on the subject merchandise exported by these companies.

For three respondents, we preliminarily find that sales of the

subject merchandise have not been made below normal value. If these preliminary results are adopted in the final results, we will instruct the Customs Service not to assess antidumping duties on the subject merchandise exported by this company.

**EFFECTIVE DATE:** August 9, 1999.

**FOR FURTHER INFORMATION CONTACT:** John Brinkmann, Office of AD/CVD Enforcement, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-5288.

#### SUPPLEMENTARY INFORMATION:

##### 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. In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations refer to the regulations codified at 19 CFR part 351 (1998).

##### Case History

On July 24, 1996, the Department published in the **Federal Register** the antidumping duty order on certain pasta from Italy (61 FR 38547). On July 1, 1998, we published in the **Federal Register** the notice of "Opportunity to Request an Administrative Review" of this order, for the period July 1, 1997 through June 30, 1998 (63 FR 35909).

In accordance with 19 CFR 351.213(b), on July 31, 1998, Borden, Inc., Hershey Pasta and Grocery Group, Inc.,<sup>1</sup> and Gooch Foods, Inc. (the petitioners) requested a review of the following producers and exporters of pasta from Italy: Pastificio Antonio Pallante (Pallante); Arrighi S.p.A. Industrie Alimentari (Arrighi); Barilla Alimentari S.R.L. (Barilla); N. Puglisi & F. Industria Paste Alimentare S.p.A. (Puglisi); La Molisana Industrie Alimentari S.p.A. (La Molisana); Pastificio Fratelli Pagani S.p.A. (Pagani); and Rummo S.p.A. Molino e Pastificio (Rummo). The petitioners subsequently withdrew their request for a review of Arrighi, Barilla and Pagani prior to initiation. In addition, the following producers and/or exporters of pasta from Italy requested an administrative review in accordance with 19 CFR 351.213(b)(2): Rummo; La Molisana; Puglisi; Pallante; F.lli De Cecco di

Filippo Fara S. Martino S.p.A. (De Cecco); Pastificio Maltagliati S.p.A. (Maltagliati); Riscossa F.lli Mastromauro S.r.l. (Riscossa); Commercio-Rappresentanze-Export S.r.l. (Corex); Pastificio Fabianelli S.p.A. (Fabianelli); Industria Alimentari Colavita S.p.A. (Indalco); and F. Divella Molina e Pastificio (Divella). On August 27, 1998, we published the notice of initiation of this antidumping duty administrative review covering the period of July 1, 1997 through June 30, 1998 (*Notice of Initiation*, 63 FR 45796). After initiation, Divella, Fabianelli, Indalco, and Riscossa withdrew their requests for review. See Partial Rescission of Antidumping Duty Administrative Review section, below.

Because the Department had disregarded sales that failed the cost test during the preceding review of De Cecco, La Molisana, Puglisi and Rummo, pursuant to section 773(b)(2)(A)(ii) of the Act, we had reasonable grounds to believe or suspect that sales by these companies of the foreign like product under consideration for the determination of normal value in this review may have been made at prices below the cost of production (COP). Therefore, we initiated cost investigations on these four companies at the time we initiated the antidumping review.

On September 1, 1998, we issued an antidumping questionnaire<sup>2</sup> to all of the companies subject to review. After several extensions, the respondents submitted their responses to sections A through C (or D, where applicable) of the questionnaire by November 5, 1998.

On November 12, 1998, the petitioners alleged that Corex and Maltagliati had sold the foreign like product at prices below the COP. On December 22, 1998, we initiated a sales-below-cost investigation with respect to both companies. On December 14, 1998, the petitioners also alleged that Pallante had also sold the foreign like product at prices below the COP. We initiated a sales below cost investigation with respect to Pallante on January 4, 1999. All the companies submitted their COP responses by February 2, 1999.

The Department issued its supplemental section A questionnaires in November 1998, and supplemental sections B and C questionnaires in

<sup>2</sup> Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under review that it sells, and the sales of the merchandise in all of its markets. Sections B and C of the questionnaire request comparison market sales listings and U.S. sales listings, respectively. Section D requests additional information about the cost of production of the foreign like product and constructed value of the merchandise under review.

<sup>1</sup> Effective January 1, 1999, Hershey Pasta and Grocery Group, Inc., became New World Pasta, Inc.