hearing, if requested, will be held 44 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 37 days after the date of publication. The Department will publish the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments or at a hearing, within 120 days after the publication of this notice.

The Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. Individual differences between United States price and NV may vary from the percentage given above. The Department will issue appraisement instructions directly to Customs. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties. For assessment purposes we intend to calculate importer-specific assessment rates for cut-to-length carbon steel plate. For both EP and CEP sales we will divide the total dumping duties for each importer (calculated as the difference between NV and EP or CEP) by the entered value of the merchandise. Upon completion of this review we will direct Customs to assess the resulting *ad valorem* rates against the entered value of each entry of subject merchandise by each importer during the POR.

Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of cold-rolled carbon steel flat products from the Netherlands entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Tariff Act: (1) The cash deposit rate for the reviewed firm will be the rate established in the final results of administrative review, except if the rate is less than 0.5 percent, and therefore, *de minimis* within the meaning of 19 CFR 351.106(c), in which case the cash deposit rate will be zero; (2) 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 that established for the manufacturer of the merchandise in the final results of this review; and (3) if neither the exporter nor the manufacturer is a firm covered in this or any previous review or the original fair value investigation, the cash deposit rate will be 19.32 percent.

This notice also serves as a preliminary 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 these review periods. 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 in accordance with sections 751(a)(1) and 777(i)(1) of the Tariff Act.

Dated: August 31, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–23321 Filed 9–7–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–802]

Gray Portland Cement and Clinker From Mexico; Preliminary Results of Antidumping Duty Administrative Review and Extension of Final Results of Administrative Review

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

ACTION: Notice of preliminary results of antidumping duty administrative review and extension of final results of administrative review.

SUMMARY: In response to requests from interested parties, the Department of Commerce is conducting an administrative review of the antidumping duty order on gray portland cement and clinker from Mexico. The review covers exports of subject merchandise to the United States during the period August 1, 1997, through July 31, 1998, and one firm, CEMEX, S.A. de C.V., and its affiliate, Cementos de Chihuahua, S.A. de C.V. The results of this review indicate the existence of dumping margins for the period.

We invite interested parties to comment on these preliminary results. Parties who submit arguments in this proceeding are requested to submit with the argument (1) a statement of the issues, and (2) a brief summary of the argument.

In addition, we are extending the period for issuing the final results of this review. Our final results will be issued no later than 180 days after the date of publication of these preliminary results of review.

EFFECTIVE DATE: September 8, 1999.

FOR FURTHER INFORMATION CONTACT: Davina Hashmi, Anne Copper, or George Callen, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, DC 20230; telephone (202) 482–5760, (202) 482–0090, (202) 482–0180, respectively.

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 (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to the regulations codified at 19 CFR Part 351 (April 1998).

Background

On August 11, 1998, the Department published in the **Federal Register** a Notice of Opportunity to Request Administrative Review concerning the antidumping duty order on gray portland cement and clinker from Mexico (63 FR 42821). In accordance with 19 CFR 351.213, the petitioner, the Southern Tier Cement Committee (STCC), requested a review of CEMEX, CEMEX's affiliate, Cementos de Chihuahua, S.A. de C.V. (CDC), and Apasco, S.A. de C.V. (Apasco). In addition, CEMEX and CDC requested review of their own entries. Apasco subsequently reported, and the Department confirmed with U.S. Customs, that Apasco did not have any U.S. sales or shipments during the period of review. On September 29, 1998, the Department published a Notice of Initiation of Antidumping and Countervailing Duty Administrative Reviews (63 FR 51894) initiating this review. The period of review is August 1, 1997, through July 31, 1998. The Department is now conducting a review of CEMEX and CDC pursuant to section 751 of the Act.

Scope of Review

The products covered by this review include gray portland cement and clinker. Gray portland cement is a hydraulic cement and the primary

component of concrete. Clinker, an intermediate material product produced when manufacturing cement, has no use other than of being ground into finished cement. Gray portland cement is currently classifiable under the Harmonized Tariff Schedule (HTS) item number 2523.29 and cement clinker is currently classifiable under HTS item number 2523.10. Gray portland cement has also been entered under HTS item number 2523.90 as ''other hydraulic cements.'' The HTS subheadings are provided for convenience and customs purposes only. Our written description of the scope of the proceeding is dispositive.

Verification

As provided in section 782(i) of the Act, we verified sales information provided by CEMEX and CDC using standard verification procedures, including an examination of relevant sales and financial records, selection of original documentation containing relevant information, and an on-site tour of one of CDC's manufacturing facilities. Our verification results are outlined in public versions of the verification reports.

Extension of Final Results

We have determined that it is not practical to complete our final results within 120 days of the date of publication of this notice of preliminary results. To allow time to obtain, analyze, and verify new cost information which we requested late in this review, we are extending the deadline for our final results of review, pursuant to 19 CFR 351.213(h)(2), from 120 to 180 days after publication of this notice. Memorandum from Richard W. Moreland to Robert S. LaRussa, *1997–1998 Administrative Review of the Anti-Dumping Order on Gray Portland Cement and Clinker from Mexico-Extension of Final Results,* August 31, 1999. (Public versions of all referenced memoranda are on file in Room B–099 of the Department's main building.)

Collapsing

Section 771(33) of the Act defines when two or more parties will be considered affiliated for purposes of an antidumping analysis. Moreover, section 351.401(f) of the regulations describes when we will treat two or more affiliated producers as a single entity (*i.e.*, ''collapse'' the firms) for purposes of calculating a dumping margin. In the three previous administrative reviews of this order, we analyzed whether we should collapse CEMEX and CDC in accordance with our regulations. *Gray Portland Cement and Clinker from Mexico; Final Results of Antidumping Duty Administrative Review,* 64 FR 13148 (March 17, 1999).

The regulations state that the Department will treat two or more affiliated producers as a single entity where those producers have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities and the Department concludes that there is a significant potential for the manipulation of price or production. In identifying a significant potential for the manipulation of price or production, the factors the Department may consider include the following: (i) the level of common ownership; (ii) the extent to which managerial employees or board members of one firm sit on the board of directors of an affiliated firm; and (iii) 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.

A North American Free Trade Agreement Binational Panel upheld our decision in the 1994/95 administrative review to collapse CEMEX and CDC. *Article 1904 Binational Panel Review Pursuant To The North American Free Trade Agreement* opinion of the Panel, Secretariat File No. USA–97–1904–01 (June 18, 1999). We found that, in each of the subsequent administrative reviews, the factual information underlying our original decision to collapse these two entities did not change and, accordingly, we continued to treat these two entities as a single entity.

Having reviewed the current record, we find, once again, that the factual information underlying our original decision to collapse these two entities has not changed during the instant administrative review period. CEMEX's indirect ownership of CDC exceeds five percent, such that these two companies are affiliated pursuant to section 771(33)(E) of the Act. In addition to their affiliation, we find that CEMEX and CDC have similar production processes. Finally, interlocking boards of directors and significant transactions between the companies give rise to a significant potential for the manipulation of price or production. Accordingly, we preliminarily conclude that these affiliated producers should be treated as a singly entity and that we should calculate a single, weighted-average margin for these companies. Therefore, throughout this notice, references to ''respondent'' should be read to mean the collapsed entity. Memorandum from Analyst to Joseph A. Spetrini, *1996/1997 Administrative Review of Gray Portland Cement and Clinker from Mexico* (August 31, 1998), and Memorandum from Analyst to File, *Collapsing CEMEX, S.A. and Cementos de Chihuahua for the Current Administrative Review* (April 6, 1999).

Export Price and Constructed Export Price

We used export price (EP), in accordance with section 772(a) of the Act, where the subject merchandise was sold to the first unaffiliated purchaser in the United States prior to importation and constructed export price (CEP) was not otherwise warranted based on the facts in the record. We used CEP in accordance with section 772(b) of the Act for those sales to the first unaffiliated purchaser that took place after importation into the United States. CEMEX made CEP sales during the period of review, while CDC made both CEP and EP sales during the period of review.

We calculated EP based on delivered prices to unaffiliated customers in the United States. Where appropriate, we made adjustments from the starting price for early payment discounts, foreign inland freight, U.S. inland freight, U.S. brokerage and handling, and U.S. duties. We also adjusted the starting price for billing adjustments to the invoice price.

We calculated CEP based on delivered prices to unaffiliated customers. Where appropriate, we made adjustments to the starting price for discounts and billing adjustments to the invoice price. In accordance with section 772(d) of the Act, we deducted those selling expenses, including inventory carrying costs, that were related to economic activity in the United States. We also made deductions for foreign brokerage and handling, foreign inland freight, U.S. inland freight and insurance, U.S. brokerage and handling, U.S. duties, and direct selling expenses. Finally, we made an adjustment for CEP profit in accordance with section 772(d)(3) of the Act.

With respect to subject merchandise to which value was added in the United States prior to sale to unaffiliated U.S. customers (*e.g.*, cement that was imported and further-processed into finished concrete by U.S. affiliates of foreign exporters), we preliminarily determine that the special rule under section 772(e) of the Act for merchandise with value added after importation is applicable.

Section 772(e) of the Act provides that, where the subject merchandise is

imported by an affiliated person and the value added in the United States by the affiliated person is likely to exceed substantially the value of the subject merchandise, we shall determine the CEP for such merchandise using the price of identical or other subject merchandise if there is a sufficient quantity of sales to provide a reasonable basis for comparison and we determine that the use of such sales is appropriate. Section 351.402(c)(2) of the regulations provides that the Department normally will determine that the value added in the United States by the affiliated person is likely to exceed substantially the value of the subject merchandise if the Department estimates the value added to be at least 65 percent of the price charged to the first unaffiliated purchaser for the merchandise as sold in the United States. We normally will estimate the value added based on the difference between the price charged to the first unaffiliated purchaser for the merchandise as sold in the United States and the price paid for the subject merchandise by the affiliated person. The Department normally will base this determination on averages of the prices and the value added to the subject merchandise. If there is not a sufficient quantity of such sales or if we determine that using the price of identical or other subject merchandise is not appropriate, we may use any other reasonable basis to determine the CEP.

During the course of this administrative review, the respondent submitted, and we verified, information which allowed us to determine whether, in accordance with section 772(e) of the Act, the value added in the United States by its U.S. affiliates is likely to exceed substantially the value of the subject merchandise. To determine whether the value added is likely to exceed substantially the value of the subject merchandise, we estimated the value added based on the difference between the averages of the prices charged to the first unaffiliated purchaser for the merchandise as sold in the United States and the averages of the prices paid for subject merchandise by the affiliated person. Based on this analysis, we estimate that the value added was at least 65 percent of the price the respondent charged to the first unaffiliated purchaser for the merchandise as sold in the United States. Therefore, we preliminarily determine that the value added is likely to exceed substantially the value of the subject merchandise. Also, the record indicates that there is a sufficient quantity of subject merchandise to prove a reasonable and appropriate basis for comparison. Accordingly, for purposes of determining dumping margins for these sales, we have used the weighted-average margin of 45.39 percent calculated on sales of identical or other subject merchandise sold to unaffiliated purchasers.

No other adjustments to EP or CEP were claimed or allowed.

Normal Value

A. Comparisons

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating normal value (NV), we compared the respondent's volume of home-market sales of the foreign like product to the volume of U.S. sales of the subject merchandise in accordance with section 773(a)(1)(C) of the Act. Since the respondent's aggregate volume of home-market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable. Therefore, we have based NV on home-market sales.

During the period of review, CEMEX and CDC sold two types of cement in the United States—Type V LA and Type II, respectively. The statute expresses a preference for matching U.S. sales to identical merchandise in the home market. However, in situations where identical product types cannot be matched, the statute expresses a preference for basing NV on sales of similar merchandise (sections 773(a)(1)(B) and 771(16) of the Act). Because we have preliminarily determined that Type V and Type V LA sold in the home market by CEMEX are outside the ordinary course of trade (see the ''Ordinary Course of Trade'' section of this notice) and CDC had no sales to unaffiliated customers of either Type II LA or Type V LA in the home market, we did not find identical matches in the home market to which we could match sales of the subject merchandise. Accordingly, we based NV on sales of similar merchandise.

During the period of review, CEMEX sold four basic types of gray portland cement in Mexico—Type I, Type V, Type V LA, and pozzolanic. During the same period, CDC sold two types of gray portland cement in Mexico—Type I and Type II. The history of this order demonstrates that, of the various types of cement which may reasonably be compared to imports of cement from Mexico, Type I cement is most similar to the Type V LA cement sold in the United States. On June 2, 1999, we determined that, while pozzolanic cement is covered by the scope of this order, it is not comparable to Types II and V under sections 771(16)(B) or (C) of the Act and, thus, we did not require CEMEX to report its home-market sales of pozzolanic cement for this review. See Memorandum from Laurie Parkhill to Richard W. Moreland, *Gray Portland Cement and Clinker from Mexico-Sales of Pozzolanic Cement* (June 2, 1999).

On June 18, 1999, the North American Free Trade Agreement Binational Panel reviewing the final results of the 1994/1995 administrative review found that CEMEX's and CDC's Type I bagged cement should not have been combined with sales of Type I cement sold in bulk to the United States in the calculation of normal value. In other words, the Panel found that sales of Type I cement in bags should not be included in the universe of home-market sales available for comparison to bulk sales to the United States. Rather, the Panel concluded, only sales of Type I cement in bulk should serve as the basis for determining NV for Type II and Type V cement sold in the United States, and it remanded the results of the 1994/1995 review to the Department for a recalculation of the margin. Those proceedings have not yet been completed. In this review, the record supports the continued practice of finding CEMEX's and CDC's sales of Type I cement in bags in the home market as sales comparable, within the meaning of section 771(16)(B) of the Act, to U.S. sales. Specifically, in accordance with section 771(16)(B) of the Act, we find that both bulk and bagged Type I cement are produced in the same country and by the same producer as Type V LA or Type II, both bulk and bagged Type I cement are like Type V LA in component materials and in the purposes for which used, and both bulk and bagged Type I cement are approximately equal in commercial value to Type II or Type V LA cement. Questionnaire responses from both CEMEX and CDC indicate that, with the exception of packaging, Type I cement sold in bulk and Type I cement sold in bags are physically identical and both are used in the production of concrete. Also, since there is no difference in cost between cement sold in bulk or in bag (again with the exception of packaging), both are approximately equal in commercial value. See CEMEX response to Section A of the Department's Questionnaire, Volume 1, November 12, 1998, pgs. A–28–30, Section B, December 4, 1998, pg. B–51, and CDC response to Section A, A–44–47, November. 12, 1998, and Section B, December 2, 1998, pg. B–31.

B. Ordinary Course of Trade

Section 773(a)(1)(B) of the Act requires the Department to base NV on ''the price at which the foreign like product is first sold (or in the absence of sales, offered for sale) for consumption in the exporting country, in the usual commercial quantities and in the ordinary course of trade.'' Ordinary course of trade is defined as ''the conditions and practices which, for a reasonable time prior to the exportation of the subject merchandise, have been normal in the trade under consideration with respect to merchandise of the same class or kind.''

Apart from identifying certain sales that are below cost (section 773(b)(1) of the Act) or between affiliated persons (section 773(f)(2) of the Act), Congress has not specified any criteria that the Department should use in determining the appropriate ''conditions and practices'' which are ''normal in the trade under consideration.'' Therefore, ''Commerce, in its discretion, chooses how best to analyze the many factors involved in a determination of whether sales are made within the ordinary course of trade.'' *Thai Pineapple Public Co.* v. *United States*, 946 F. Supp. 11, 14–17 (CIT 1996).

The Department's ordinary-course-of-trade inquiry is far-reaching. It evaluates not just ''one factor taken in isolation but rather all the circumstances particular to the sales in question.'' *Murata Mfg. Co.* v. *United States*, 820 F. Supp. 603, 607 (CIT 1993). In short, we examine the totality of the facts in each case to determine if sales are being made for ''unusual reasons'' or under ''unusual circumstances.'' *Electrolytic Manganese Dioxide from Japan; Final Results of Antidumping Duty Administrative Review*, 58 FR 28551, 28552 (May 14, 1993).

In the 1991/1992 administrative review of this order, the Department determined that CEMEX's home-market sales of Type II and Type V cement were outside the ordinary course of trade and, therefore, could not be used in the calculation of NV (then referred to as ''foreign market value''). *Gray Portland Cement and Clinker from Mexico: Final Results of Antidumping Duty Administrative Review*, 58 FR 47253, 27254 (Sept. 8, 1993). In making this determination, the Department considered, *inter alia*, shipping distances and costs, sales volume, profit levels, sales history, home-market demand and the promotional aspect of sales. See Decision Memorandum to Joseph A. Spetrini, August 31, 1994, and Memorandum from Holly A. Kuga to Joseph A. Spetrini, August 31, 1993. Based upon similar facts and using a similar analysis, the Department reached the same conclusion in the final results of the 1994/1995, 1995/1996, and 1996/1997 administrative reviews for certain sales of Type II and Type V cement by CEMEX in Mexico. *Gray Portland Cement and Clinker from Mexico: Final Results of Antidumping Duty Administrative Review*, 62 FR 17148, 17151 (April 9, 1997), *Gray Portland Cement and Clinker from Mexico: Final Results of Antidumping Duty Administrative Review*, 63 FR 12764, 12768 (March 16, 1998); *Gray Portland Cement and Clinker from Mexico: Final Results of Antidumping Duty Administrative Review*, 64 FR 13148 (March 17, 1999).

In the instant review, CEMEX claims that its sales of Type V LA cement in the home market are within the ordinary course of trade. Pursuant to section 773(a)(1)(B) of the Act, the Department has examined the totality of the circumstances surrounding CEMEX's sales of cement in Mexico that are produced as Type V and Type V LA cement and marketed as Type I, Type II LA, Type V, and Type V LA (Type V LA is identical in physical characteristics to the cement that CEMEX sells in the United States). Based on the current record, which reflects similar findings in prior reviews (see, for example, Decision Memorandum to Joseph A. Spetrini, August 31, 1998), the Department has preliminarily determined that CEMEX's home-market sales of Type V and Type V LA cement during the review period were outside the ordinary course of trade.

CEMEX sells, in Mexico, Type V and Type V LA cement produced at its Campana and Yaqui plants. The facts established in the record of this review with respect to sales from these plants are very similar to the facts which led the Department to determine in the 1991/1992, 1994/1995, 1995/1996, and 1996/1997 reviews that home-market sales of Type V, including Type V LA, cement were outside the ordinary course of trade. The determination involving the 1991/1992 review, as noted above, was affirmed by the Court of International Trade (CIT) in *CEMEX* v. *United States*, Slip Op. 95–72 at 14. Specifically, as in previous reviews, we examined shipping distances and costs, sales volume, profit levels, sales history, home-market demand and the promotional aspect of sales. We found that, while there has been some change from findings in previous reviews, changes have been relatively minor and do not affect the overall conclusion that sales of Type V and Type V LA cement from the Campana and Yaqui plants are outside of the ordinary course of trade.

With respect to sales of Type V LA cement from CEMEX's Hidalgo plant, we have determined that these sales are also outside the ordinary course of trade. CEMEX notes that only the Campana and Yaqui plants produce Type V LA on a consistent basis, but it has produced Type V LA on ''occasion'' at its Hidalgo plant. In addition, CEMEX has stated that production of cement meeting the ASTM specifications of Type V LA at the Hidalgo plant was unintentional. In fact, CEMEX itself, in prior submissions, has indicated that production and sales of cement meeting ASTM standards for Type V LA at the Hidalgo plant were unusual in that they attempted to produce another type of cement. Moreover, none of the Type V LA production from the Hidalgo plant was sold as Type V LA and the profit-level pattern was similar to the pattern at Campana and Yaqui for sales of cement produced as Type V LA and sold as Type I. A complete discussion of our preliminary conclusions on sales of cement from the Campana, Yaqui, and Hidalgo plants, requiring reference to proprietary information, is contained in a memorandum in the official file for this case. Memorandum from Analyst to Laurie Parkhill, *Gray Portland Cement and Clinker from Mexico—Ordinary Course of Trade* (August 31, 1999).

In conclusion, the decision to exclude sales of Type V and Type V LA cement from the calculation of NV centers around the unusual nature and characteristics of these sales compared to the vast majority of CEMEX's other home-market sales. Based upon these differences, the Department has preliminarily determined that they are not representative of CEMEX's home-market sales, *i.e.*, these sales were not within the ordinary course of trade.

C. Arm's-Length Sales

Consistent with 19 CFR 351.403, we excluded sales to affiliated customers in the home market which were not made at arm's-length prices from our analysis. Because we could not test whether sales of Type II cement by CDC were made at arm's-length prices, we excluded such sales from our analysis. To test whether other sales to affiliated customers were made at arm's length for which we could test the prices, we compared the prices of sales to affiliated and unaffiliated customers, net of all movement charges, direct selling expenses, discounts, and packing. Where the price to the affiliated party was on average 99.5 percent or more of the price to the unaffiliated parties, we

determined that the sales made to the affiliated party were at arm's length.

D. Cost of Production

The petitioner alleged, on May 11, 1999, that CEMEX and its affiliate, CDC, sold gray portland cement and clinker in the home market at prices below their cost of production (COP). Based on these allegations, the Department determined, on July 15, 1999, that it had reasonable grounds to believe or suspect that CEMEX and CDC had sold the subject merchandise in the home market at prices below the COP. Therefore, pursuant to section 773(b)(1) of the Act, we initiated a COP investigation in order to determine whether CEMEX and CDC made home-market sales during the period of review at below-cost prices. See Memorandum from Laurie Parkhill to Richard W. Moreland, *Gray Portland Cement and Clinker from Mexico: Amended Request to Initiate Cost Investigation* (July 15, 1999). Because of time constraints, we could not incorporate the collapsed respondent's cost and constructed value data into the margin calculation for the preliminary results of review. However, we will incorporate such data into the margin calculation for the final results of review. Accordingly, to calculate NV for these preliminary results, we used all comparison-market sales to unaffiliated and affiliated customers that passed the arm's-length test and that were made within the ordinary course of trade.

E. Adjustments to Normal Value

Where appropriate, we adjusted home-market sales of Type I cement for discounts, rebates, packing, handling and interest revenue, and billing adjustments to the invoice price. In addition, we adjusted the starting price for inland freight, inland insurance, and pre-sale warehousing expenses. For comparisons to EP transactions, we made adjustments to the home-market starting price for differences in direct selling expenses in the two markets. For comparisons to CEP sales, we deducted home-market direct selling expenses from the home-market price. We also deducted home-market indirect selling expenses as a CEP-offset adjustment (see *F. Level of Trade/CEP Offset* section below). In addition, in accordance with section 773(a)(6) of the Act, we deducted home-market packing costs and added U.S. packing costs.

Section 773(a)(6)(C)(ii) of the Act directs us to make an adjustment to NV to account for differences in the physical characteristics of merchandise where similar products are compared. Section 351.411(b) of the regulations directs us to consider differences in variable costs associated with the physical differences in the merchandise. For CDC's sales, we calculated a difference-in-merchandise adjustment using appropriate plant-specific variable cost data CDC reported.

For CEMEX, although the company provided information pertaining to the cost of production for Type I and Type V LA cement, it was unable to segregate specific costs attributable to differences in physical characteristics other than costs attributable to the addition of kaolin. However, the Department has determined that the existing data and product information from previous reviews, on the record of the instant review, indicate that there are differences in the physical characteristics of Type I cement and Type V LA cement. Thus, we conclude that a difference-in-merchandise adjustment is appropriate. Section 776(a) of the Act authorizes the Department to use facts otherwise available when necessary information is not on the record. Therefore, for sales made by CEMEX, we preliminarily determine, in accordance with section 776 of the Act, that the use of partial facts available for calculating the difference-in-merchandise adjustment is appropriate. We have preliminarily determined that the most appropriate basis for calculating the difference-in-merchandise adjustment is the actual variable cost differences in producing Type I cement and Type V LA cement at CEMEX's Hidalgo plant, which is CEMEX's only plant that produced both types of cement during the period of review. Although we have not yet verified CEMEX's variable cost information, we intend to verify the cost information for the Hidalgo plant and will make any necessary changes based on verification prior to the issuance of the final results of review. A discussion of our preliminary conclusions on differences in merchandise is contained in a memorandum in the official file for this case. Memorandum from Analyst to Laurie Parkhill, *Gray Portland Cement and Clinker from Mexico—Difference in Merchandise* (August 31, 1999).

F. Level of Trade/CEP Offset

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the home market at the same level of trade as the EP or CEP. The NV level of trade is that of the starting-price sales in the home market or, when NV is based on constructed value (CV), that of sales from which we derive selling, general and administrative (SG&A) expenses and profit. For EP, the U.S. level of trade is also the level of the starting-price sale, which is usually from the exporter to the importer. For CEP, it is the level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different level of trade than EP or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different level of trade, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the level of trade of the export transaction, we make a level-of-trade adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61971 (November 19, 1997).

Based on our analysis, we conclude that the respondent's home-market sales to various classes of customers which purchase both bulk and bagged cement constituted one level of trade. We based our conclusion on our analysis of its selling functions and their sales channels. We found that, with some minor exceptions, CEMEX and CDC performed the same selling functions to varying degrees in similar channels of distribution. We also concluded that the variations in selling functions were not substantial when all selling expenses were considered as a whole. Memorandum to Laurie Parkhill, *Level of Trade* (Level of Trade Memorandum), August 30, 1999.

With respect to U.S. sales, we found that CEMEX's and CDC's home-market sales occur at a different and more advanced stage of distribution than their sales to their respective U.S. affiliates. We also determined that the data available does not permit us to calculate a level-of-trade adjustment. See the Level of Trade Memorandum. Therefore, in accordance with section 773(a)(7)(B) of the Act, we granted a CEP offset for the CEP sales made by CEMEX and CDC. CDC also reported that it sold cement to EP customers (end-users) and listed the selling functions performed for EP customers. We determined that CDC's EP sales are at a different level of trade as compared to CEMEX's and

CDC's home-market sales. However, because there is only one level of trade in the home market, available data did not permit a level-of-trade adjustment.

Inflation

In the previous administrative review of this proceeding, we found that Mexico experienced significant inflation and we adjusted our dumping margin analysis to account for the effects of high inflation on prices in order to avoid the distortions caused by such inflation. In this review period, we found that Mexico experienced less than 5 percent inflation during each month of the period of review with an annual inflation rate of less than 16 percent. Because we did not find these inflation rates to be so significant that they cause distortions in our analysis, we have not adjusted our antidumping margin analysis to account for inflation during the instant period.

Currency Conversion

We made currency conversions in accordance with section 773A of the Act based on rates certified by the Federal Reserve Bank in effect on the dates of U.S. sales.

Preliminary Results of Review

As a result of our review, we preliminarily determine the dumping margin for CEMEX and CDC for the period August 1, 1997, through July 31, 1998, to be 45.39 percent.

The Department will disclose calculations performed in connection with these preliminary results to parties within five days of the date of publication of this notice. Interested parties may request a hearing by November 1, 1999. The Department will notify interested parties of the date of any requested hearing and the briefing schedule.

Upon completion of this review, the Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate appraisement instructions directly to the Customs Service upon completion of this review. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the determination and for future deposits of estimated duties. We will base the assessment of antidumping duties on the per-unit assessment amount for subject merchandise.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate determined in the final results of review; (2) for previously reviewed or investigated companies not mentioned 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, a prior review, or in 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 manufacture of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will be 61.85 percent, the all-others rate from the LTFV investigation. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a preliminary 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 dumping duties.

We are issuing and publishing this notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 31, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–23326 Filed 9–7–99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–825]

Oil Country Tubular Goods From Korea: Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Preliminary Results of the Antidumping Duty Administrative Review of Oil Country Tubular Goods From Korea.

SUMMARY: In response to a request from SeAH Steel Corporation (''SeAH''), the Department of Commerce (''the Department'') is conducting an administrative review of the antidumping duty order on oil country tubular goods from Korea. This review covers one manufacturer/exporter of the subject merchandise to the United States, SeAH, and the period August 1, 1997 through July 31, 1998, which is the third period of review (''POR'').

We have preliminarily determined that SeAH made sales below normal value (''NV''). If these preliminary results are adopted in our final results of these administrative reviews, we will instruct the U.S. Customs Service to assess antidumping duties based on the difference between the constructed export price (''CEP'') and the NV. The preliminary results are listed below in the section entitled ''Preliminary Results of Review.''

EFFECTIVE DATE: September 8, 1999.

FOR FURTHER INFORMATION CONTACT: Jonathan Lyons or Steve Bezirganian, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0374, or (202) 482–0162, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are 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 19 CFR part 351 (62 FR 27379, May 19, 1997).

Background

On August 11, 1995, the Department published in the **Federal Register** (60 FR 41058) the antidumping duty order on oil country tubular goods from Korea. On August 11, 1998, the Department published in the **Federal Register** (63 FR 42821) a notice indicating an opportunity to request an administrative review of this order for the period August 1, 1997 through July 31, 1998. On August 31, 1998, both SeAH and petitioners (Maverick Tube Corporation, Lone Star Steel Company, and IPSCO Tubulars Inc.) requested an administrative review for SeAH entries during that period. On September 29, 1998, in accordance with Section 751 of the Act, we published in the **Federal Register** a notice of initiation of an administrative review of this order for the period August 1, 1997 through July 31, 1998 (63 FR 51893).