

are materially injuring, or threaten material injury to, the U.S. industry.

#### Public Comment

Case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than June 1, 1998, and rebuttal briefs no later than June 8, 1998. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on June 12, 1998, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to section 777(i) of the Act.

Dated: February 25, 1998.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-428-824]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod From Germany

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

**EFFECTIVE DATE:** March 5, 1998.

#### FOR FURTHER INFORMATION CONTACT:

Sunkyu Kim or Everett Kelly, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2613 or (202) 482-4194, respectively.

#### The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR part 351 (62 FR 27296, May 19, 1997).

#### Preliminary Determination

We preliminarily determine that stainless steel wire rod ("SSWR") from Germany is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Act. The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

#### Case History

Since the initiation of this investigation on August 19, 1997 (see *Notice of Initiation of Antidumping Duty Investigations: Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden and Taiwan* (62 FR 45224, August 26, 1997) ("Notice of Initiation")), the following events have occurred:

On September 15, 1997, the United States International Trade Commission ("ITC") notified the Department of its affirmative preliminary injury determination in this case (see ITC Investigation No. 731-TA-770).

In September 1997, the Department obtained information from the U.S. Embassy in Germany identifying Krupp Edelstahlprofile and BGH Edelstahl Freital GmbH as the potential producers and/or exporters of the subject merchandise to the United States. Based on this information, on September 19, 1997, the Department issued the antidumping duty questionnaire to the following producers/exporters of SSWR to the United States: Krupp Edelstahlprofile GmbH and Krupp Hoesch Steel Products (collectively "Krupp") and BGH Edelstahl Freital GmbH ("BGH Edelstahl").

On October 23, 1997, BGH Edelstahl informed the Department, via facsimile message, that it would not respond to

the Department's antidumping questionnaire.

On October 24, 1997, Krupp submitted its response to Section A of the questionnaire. Subsequently, on October 27, 1997, Krupp informed the Department that it would not respond to Sections B, C, and D of the Department's antidumping questionnaire.

On December 11, 1997, petitioners made a timely request that the Department postpone the preliminary determination in this investigation and the companion investigations of SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan to February 25, 1998. We did so on December 16, 1997, in accordance with section 733(c)(1) of the Act (see *Notice of Postponement of Preliminary Antidumping Duty Determinations: Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, 62 FR 66849, 66850 (December 22, 1997)).

#### Scope of Investigation

For purposes of this investigation, SSWR comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime, or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar.

The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches in diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of the investigation. The chemical makeup for the excluded grades is as follows:

SF20T			
Carbon .....	0.05 max .....	Chromium .....	19.00/21.00.
Manganese .....	2.00 max .....	Molybdenum .....	1.50/2.50.
Phosphorous .....	0.05 max .....	Lead .....	Added (0.10/0.30).
Sulfur .....	0.15 max .....	Tellurium .....	Added (0.03 min).
Silicon .....	1.00 max .....		
K-M35FL			
Carbon .....	0.015 max .....	Nickel .....	0.30 max.
Silicon .....	0.70/1.00 .....	Chromium .....	12.50/14.00.
Manganese .....	0.40 max .....	Lead .....	0.10/0.30.
Phosphorous .....	0.04 max .....	Aluminum .....	0.20/0.35.
Sulfur .....	0.03 max .....		

The products under investigation are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope is dispositive.

#### Period of Investigation

The period of investigation ("POI") is July 1, 1996, through June 30, 1997.

#### Fair Value Comparisons

To determine whether sales of SSWR by Krupp and BGH Edeltahl to the United States were made at less than fair value, we compare the export price or constructed export price to the normal value. Because Krupp responded to our questionnaire only in part (*i.e.*, Section A) and BGH Edeltahl did not respond to the questionnaire at all, we were unable to calculate LTFV margins for this preliminary determination using information submitted by the respective companies. Therefore, in accordance with section 776 of the Act, our results are based on facts otherwise available.

#### Facts Available

Section 776(a)(2) of the Act provides that, if an interested party (1) Withholds information that has been requested by the Department, (2) fails to provide such information in a timely manner or in the form or manner requested, (3) significantly impedes a determination under the antidumping statute, or (4) provides such information but the information cannot be verified, the Department shall use facts otherwise available in reaching the applicable determination (subject to subsections 782(d) and (e)). As discussed above, both Krupp and BGH Edeltahl failed to respond to the Department's questionnaires. Accordingly, we have determined that use of facts available is appropriate for both respondents. With

respect to Krupp, we note that we cannot perform an antidumping analysis with the Section A response that Krupp did provide. This limited information is so incomplete that it cannot, for purposes of section 782(e)(3), "serve as a reliable basis for reaching the applicable determination."

Section 776(b) of the Act further provides that adverse inferences may be used for a party that has failed to cooperate by not acting to the best of its ability to comply with requests for information (*see also* the Statement of Administrative Action ("SAA"), accompanying the URAA, H.R. Rep. No. 316, 103rd Cong., 2d Sess. 870). Given their statements of refusal to comply with the Department's requests for information, Krupp and BGH Edeltahl have clearly failed to cooperate to the best of their ability in this investigation. Therefore, the Department has determined that an adverse inference is warranted with respect to both companies.

Consistent with our practice in cases where respondents' refusal to participate precludes us from conducting our LTFV analysis, as facts otherwise available, we are basing Krupp's and BGH Edeltahl's margins on information in the petition. Section 776(c) provides that, when the Department relies on secondary information (*e.g.*, the petition) as the facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. We reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose (*e.g.*, import statistics, foreign market research reports, and data from U.S. producers). *See Notice of Initiation* and August 19, 1997, "Import Administration AD Investigation Initiation Checklist ("Initiation Checklist").

For purposes of the preliminary determination, we were only able to corroborate part of the information in the petition. We reexamined the export price data provided in the petition in light of information obtained during the investigation and, to the extent that it could be corroborated, found that it continues to be of probative value. However, the Department was provided no useful information by the respondents or other interested parties, and is aware of no other independent sources of information, that would enable it to further corroborate the remaining components of the margin calculation in the petition (as adjusted by the Department). *See* the February 11, 1998, Memorandum to the File. We note that the SAA at 870 specifically states that, where "corroboration may not be practicable in a given circumstance," the Department may nevertheless apply an adverse inference.

#### A. Krupp and BGH Edeltahl

Consistent with Department practice, as facts otherwise available, the Department is assigning to Krupp and BGH Edeltahl the highest margin alleged in the petition for any German producer (as adjusted by the Department), which is 21.28 percent (*see Initiation Checklist* and the *Notice of Initiation* for a discussion of the margin calculations in the petition and the Department's recalculations).

#### B. The All-Others Rate

All foreign manufacturers/exporters in this investigation are being assigned dumping margins on the basis of facts otherwise available. Section 735(c)(5) of the Act provides that, where the dumping margins established for all exporters and producers individually investigated are determined entirely under section 776, the Department may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the estimated weighted-

average dumping margins determined for the exporters and producers individually investigated. This provision contemplates that we weight average the facts-available margins to establish the all-others rate. Where the data is not available to weight average the facts-available rates, the SAA, at 873, provides that we may use other reasonable methods.

Inasmuch as we do not have the data necessary to weight average the respondents' facts available margins, we are basing the all-others rate on a simple average of the margins in the petition (as adjusted by the Department). As a result the all-others rate is 19.45 percent.

### Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the amount by which the NV exceeds the export price, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The dumping margins are as follows:

Exporter/manufacture	Margin percentage
Krupp Edelstahl profile GmbH, Krupp Hoesch Steel Products .....	21.28
BGH Edelstahl Freital GmbH .....	21.28
All-Others .....	19.45

The all-others rate, which we derived from the average of the margins calculated in the petition, applies to all entries of subject merchandise other than those exported by the named respondents.

### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

### Public Comment

Case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than April 9, 1998, and rebuttal briefs, no later than

April 16, 1998. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on April 20, 1998, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within thirty days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination not later than May 11, 1998.

This determination is published pursuant to section 777(i) of the Act.

Dated: February 25, 1998.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 98-5602 Filed 3-4-98; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-469-807]

### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Stainless Steel Wire Rod From Spain

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

**EFFECTIVE DATE:** March 5, 1998.

**FOR FURTHER INFORMATION CONTACT:** Howard Smith or Alexander Amdur, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5193 or (202) 482-5346, respectively.

### The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR part 351 (May 19, 1997).

### Preliminary Determination

We preliminarily determine that stainless steel wire rod (SSWR) from Spain is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

### Case History

Since the initiation of this investigation (*Notice of Initiation of Antidumping Investigations: Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, 62 FR 45224 (August 26, 1997) (*Notice of Initiation*)), the following events have occurred:

In August 1997, the Department issued a cable to the U.S. Embassy in Spain requesting information identifying potential Spanish producers and/or exporters of the subject merchandise to the United States. We did not receive a response from the U.S. Embassy in Spain. However, based on the petition, wherein Roldan, S.A., (Roldan) was the only producer and/or exporter identified, on September 19, 1997, the Department issued an antidumping questionnaire to Roldan.

Also in September 1997, the United States International Trade Commission (ITC) issued an affirmative preliminary injury determination in this case (see ITC Investigation No. 731-TA-773).

In October 1997, the Department received Roldan's response to Section A of the questionnaire. Roldan submitted its response to Sections B, C, and D of the questionnaire in November 1997.

On October 10, 1997, the petitioners in this case (*i.e.*, AL Tech Specialty Steel Corp., Carpenter Technology Corp., Republic Engineered Steels, Talley Metals Technology, Inc., and United Steelworkers of America) requested that the Department revise its questionnaire to obtain information on the actual nickel, chromium, and molybdenum content for each sale of the SSWR made during the period of investigation (POI). On October 21, 1997, Roldan requested that the