

should be limited to five pages total, including footnotes. 19 CFR Sec. 351.309(c) and (d). Further, we would appreciate it if parties submitting written comments would provide the Department with an additional copy of the public version of any such comments on diskette.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be scheduled to be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. In the event that the Department receives requests for hearings from parties to several stainless steel butt-weld pipe fittings cases, the Department may schedule a single hearing to encompass all those cases. 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 participate if one is requested, must submit a written request within 30 days of the publication of this notice. 19 Sec. CFR 351.310(c). Requests should specify the number of participants and provide 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 no later than 75 days after the date of this preliminary determination. 19 CFR Sec. 351.210(b)(1).

This determination is issued and published in accordance with sections 733(d) and 777(i)(1) of the Act.

Dated: July 26, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00-19548 Filed 8-1-00; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-475-828]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Stainless Steel Butt-Weld Pipe Fittings From Italy

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

EFFECTIVE DATE: August 2, 2000.

FOR FURTHER INFORMATION CONTACT: Helen Kramer or Phyllis Hall at (202) 482-0405 and (202) 482-1398, respectively, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230.

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 of Commerce ("Department") regulations are to the regulations at 19 CFR Part 351 (April 1999).

Preliminary Determination

We preliminarily determine that stainless steel butt-weld pipe fittings ("pipe fittings") from Italy are being, or are likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Act. The estimated margin of sales at LTFV is shown in the "Suspension of Liquidation" section of this notice.

Case History

On January 18, 2000, the Department initiated antidumping investigations of stainless steel butt-weld pipe fittings from Germany, Italy, Malaysia and the Philippines. See Initiation of Antidumping Duty Investigation: Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia and the Philippines, 65 FR 4595 (January 31, 2000). Since the initiation of this investigation the following events have occurred.

On January 18, 2000, the Department initiated antidumping investigations of stainless steel butt-weld pipe fittings from Germany, Italy, Malaysia and the Philippines. See Initiation of Antidumping Duty Investigation: Stainless Steel Butt-Weld Pipe Fittings

from Germany, Italy, Malaysia and the Philippines, 65 FR 4595 (January 31, 2000) ("Notice of Initiation"). Since the initiation of this investigation the following events have occurred.

The Department set aside a period for all interested parties to raise issues regarding product coverage (see Notice of Initiation at 4596). A response was received from Coprosider S.p.A. ("Coprosider") on February 1, 2000, agreeing with the scope of the investigation. On February 3, 2000, Wilh. Schulz GmbH and its affiliates ("Schulz") submitted comments to the Department requesting that the scope be limited only to specification ASTM 403/403M fittings below 14 inches in diameter.

On January 21, 2000, the Department issued proposed product concordance criteria to all interested parties. On February 4, 2000, the following interested parties submitted comments on our proposed product concordance criteria: Kanzen Tetsu Sdn. Bhd. ("Kanzen"); Coprosider; and Alloy Piping Products, Inc.; Flowline Division of Markovitz Enterprises, Inc.; Gerlin, Inc.; and Taylor Forge Stainless, Inc. ("petitioners"). On February 8, 2000 and February 18, 2000, we received comments on our proposed product concordance criteria from Schulz.

On February 14, 2000, the United States International Trade Commission ("ITC") notified the Department of its affirmative preliminary injury determination on imports of subject merchandise from Germany, Italy, Malaysia and the Philippines. On February 24, 2000, the ITC published its preliminary determination that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of the subject merchandise from Germany, Italy, Malaysia and the Philippines (65 FR 9298).

On February 14, 2000, the United States International Trade Commission ("ITC") notified the Department of its affirmative preliminary injury determination on imports of subject merchandise from Germany, Italy, Malaysia and the Philippines. On February 24, 2000, the ITC published its preliminary determination that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of the subject merchandise from Germany, Italy, Malaysia and the Philippines (65 FR 9298).

On January 27, 2000, the Department issued Section A of its antidumping duty questionnaire to Coprosider S.p.A. ("Coprosider"). On February 9, 2000, the Department received Coprosider's

response to Question 1 of Section A. On March 9, 2000, the Department issued Sections B–E of its antidumping duty questionnaire to Coprosider. On the same day, petitioners filed comments on Coprosider's section A response. On March 10, 2000, the Department issued a supplemental questionnaire for Coprosider's Section A response. Coprosider responded on March 24, 2000.

On April 13, 2000, the Department published in the **Federal Register** a notice postponing the preliminary determination until July 26, 2000 (Notice of Postponement of Preliminary Antidumping Duty Determinations: Stainless Steel Butt-weld Pipe Fittings from Germany, Italy, Malaysia and the Philippines (65 FR 19876)).

Coprosider filed its Sections B and C response on May 1, 2000. On May 17, 2000, petitioners requested that the Department initiate a cost investigation. Petitioners submitted comments on Coprosider's Sections B and C response on May 19, 2000. The Department issued a supplemental questionnaire on May 23, 2000. On May 24, 2000, Coprosider filed comments on petitioners' request for a cost investigation. The Department initiated a cost investigation on June 1, 2000. On June 20, 2000, Coprosider filed its supplemental Section B and C response. The Department issued a second supplemental questionnaire on June 22, 2000. Coprosider filed its cost and second supplemental responses on July 3, 2000. Petitioners filed comments on these responses on July 10 and July 17, 2000, and Coprosider filed a rebuttal on July 12, 2000. Due to the late initiation of the sales below cost portion of this investigation, the Department did not receive the Section D questionnaire response, as noted above, until July 3, 2000. Consequently, there has been insufficient time for the Department to issue a supplemental section D questionnaire response to Coprosider and receive it back prior to the preliminary determination. Therefore, we are using the respondent's data for purposes of the preliminary determination, with one exception, as submitted. We will continue to analyze the cost response and petitioner's comments and will seek clarifications and corrections to the data as necessary.

On June 30, 2000, petitioners alleged that critical circumstances exist with respect to imports of stainless steel butt-weld pipe fittings from Germany, Italy, Malaysia and the Philippines. The Department requested monthly shipment data from Coprosider for calendar year 1998 through May 2000 on July 6, 2000. Coprosider submitted

data for October 1998 through March 2000 on July 13, 2000. On July 18, 2000, Coprosider submitted shipment data for April 2000 through June 2000.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On June 29, 2000, Coprosider requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until not later than 135 days after the date of the publication of an affirmative preliminary determination in the **Federal Register**. On June 30, 2000, Coprosider also agreed to an extension of the provisional measures to not more than six months. Therefore, in accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) the requesting exporter accounts for a significant portion of exports of subject merchandise, and (3) there is no compelling reason for denial, we are granting the respondent's request and are postponing the final determination until not later than 135 days after the date of the publication of the preliminary determination. Similarly, we are extending the application of the provisional measures.

Period of Investigation

The Period of Investigation ("POI") is October 1, 1998 through September 30, 1999. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, December 1999), and is in accordance with our regulations. See section 351.204(b)(1).

Scope of Investigation

For purposes of this investigation, the product covered is certain stainless steel butt-weld pipe fittings. Pipe fittings are

under 14 inches in outside diameter (based on nominal pipe size), whether finished or unfinished. The product encompasses all grades of stainless steel and "commodity" and "specialty" fittings. Specifically excluded from the definition are threaded, grooved, and bolted fittings, and fittings made from any material other than stainless steel.

The fittings subject to these investigations are generally designated under specification ASTM A403/A403M, the standard specification for Wrought Austenitic Stainless Steel Piping Fittings, or its foreign equivalents (*e.g.*, DIN or JIS specifications). This specification covers two general classes of fittings, WP and CR, of wrought austenitic stainless steel fittings of seamless and welded construction covered by the latest revision of ANSI B16.9, ANSI B16.11, and ANSI B16.28. Pipe fittings manufactured to specification ASTM A774, or its foreign equivalents, are also covered by these investigations.

This investigation does not apply to cast fittings. Cast austenitic stainless steel pipe fittings are covered by specifications A351/A351M, A743/743M, and A744/A744M.

The stainless steel butt-weld pipe fittings subject to this investigation are currently classifiable under subheading 7307.23.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Product Comparisons

Pursuant to section 771(16) of the Act, all products produced by the respondent that are within the scope of the investigation, above, and were sold in the comparison market during the POI, are considered to be foreign like products. We have relied on six criteria to match U.S. sales of subject merchandise to comparison-market sales of the foreign like product: type, grade, whether seamless or welded, size, schedule (wall thickness) and finished or blank. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics and reporting instructions listed in the Department's March 9, 2000, questionnaire.

Fair Value Comparisons

To determine whether sales of stainless steel butt-weld pipe fittings from Italy were made in the United States at LTFV, we compared the export price ("EP") to the normal value ("NV"),

as described in the Export Price and Normal Value sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated POI weighted-average EPs for comparison to POI weighted-average NVs.

Export Price

We used EP methodology in accordance with section 772(a) of the Act because Coprosider sold the subject merchandise directly to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States prior to the date of importation, and because CEP methodology was not otherwise appropriate. We based EP on CIF duty unpaid prices to unaffiliated customers in the United States. In accordance with section 772(c)(2), we made deductions from the starting price for movement expenses, including foreign inland freight, warehouse handling expense, customs brokerage and international freight, and discounts, where appropriate.

Normal Value

Section 773(a)(1) of the Act directs that NV be based on the price at which the foreign like product is sold in the home market, provided that the merchandise is sold in sufficient quantities (or value, if quantity is inappropriate) and that there is no particular market situation that prevents a proper comparison with the EP. The statute contemplates that quantities (or value) will normally be considered insufficient if they are less than five percent of the aggregate quantity (or value) of sales of the subject merchandise to the United States.

Coprosider had a viable home market, and reported home market sales data for purposes of the calculation of NV. In deriving NV, we made certain adjustments described in detail in Calculation of Normal Value Based on Home Market Prices, below.

Cost of Production Analysis

Based on our analysis of the cost allegations submitted by petitioners on May 17, 2000, the Department found reasonable grounds to believe or suspect that Coprosider had made sales of pipe fittings manufactured in Italy at prices below the cost of producing the merchandise, in accordance with section 773(b)(1) of the Act. See Cost Memorandum, June 1, 2000. As a result, the Department initiated an investigation to determine whether Coprosider made home market sales during the POI at prices below the cost of production ("COP") within the

meaning of section 773(b) of the Act. We conducted the COP analysis described below.

A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of Coprosider's cost of materials and fabrication for the foreign like product, plus amounts for selling, general and administrative expenses ("SG&A"), including interest expenses, and packing costs. The Department relied on the COP data submitted by Coprosider on July 3, 2000, with the exception that in those instances in which Coprosider submitted two costs for the same control number, we weight averaged those costs.

B. Test of Home Market Sales Prices

We compared the weighted-average COP for Coprosider to home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP. In determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made (1) within an extended period of time in substantial quantities, and (2) at prices which permitted the recovery of all costs within a reasonable period of time, in accordance with sections 773(b)(1)(A) and (B) of the Act. On a product-specific basis, we compared the COP to home market prices, less any applicable movement charges, and discounts.

C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of Coprosider's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in substantial quantities. Where 20 percent or more of Coprosider's sales of a given product during the POI were at prices less than the COP, we determined such sales to have been made in substantial quantities within an extended period of time, in accordance with section 773(b)(2)(B) of the Act. Because we compared prices to fiscal year average costs, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, we disregarded those below-cost sales.

Calculation of Normal Value Based on Home Market Prices

We calculated NV based on ex-factory prices and made deductions from the starting price for inland freight to Coprosider's warehouse and warehouse and packing expense. In addition, we made circumstance of sale (COS) adjustments for discounts and commissions, where applicable, and direct expenses (i.e., credit expenses), in accordance with section 773(a)(6)(C)(iii) of the Act.

Level of Trade

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

To determine whether NV sales are at a different LOT than EP, 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 LOT 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 LOT of the export transaction, we make a LOT adjustment pursuant to section 773(a)(7)(A) of the Act. See Notice of Final Determination of Sales at Less Than Fair Value; Certain Cut-to-Length Carbon Steel Plate from South Africa, 62 FR 61731 (November 19, 1997).

In implementing these principles in this investigation, we examined information from Coprosider regarding the marketing stages involved in the reported home market and EP sales, including a description of the selling activities performed by Coprosider for each channel of distribution. In identifying LOT for EP and home market sales, we considered the selling functions reflected in the starting price before any adjustments.

Coprosider claimed two LOTs in each market: LOT 1 including sales to end-users, engineering companies, equipment manufacturers and trading companies, and LOT 2 including sales to distributors/stockists, and claimed a LOT adjustment for differences in selling prices. We examined the chains

of distribution and customer categories reported in the home market and in the United States. In both the home and U.S. markets, Coprosider reported two channels of distribution, one which was identical to LOT 1, and another which was identical to LOT 2. We further examined the selling functions related to those sales. Coprosider claimed in its June 20, 2000, supplemental response (Exhibit SB1), that it provided technical advice and after-sale services and warranties for customers in the end-user, equipment manufacturer, and engineering company categories in both the home market and the U.S. market, and also to the trading company category in the United States, but not to distributors. However, in its Section B and C response of May 1, 2000, it stated it incurred no warranty and technical service expenses during the POI (other than quality control expenses reported under indirect selling expenses). Thus, the only remaining differences in reported selling functions between the claimed LOTs are inventory maintenance, order solicitation and order processing. We do not consider these differences in selling functions sufficient to find different LOTs. On this basis, it appears that there is insufficient evidence on the record to establish different LOTs in either market. Therefore, Coprosider has not met its burden of proof to establish its claim for a LOT adjustment for comparisons of EP sales to home market sales. Accordingly, the Department has preliminarily denied a LOT adjustment.

Currency Conversions

We made currency conversions into U.S. dollars based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. Section 773A(a) of the Act directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars unless the daily rate involves a fluctuation. It is the Department's practice to find that a fluctuation exists when the daily exchange rate differs from the benchmark rate by 2.25 percent. The benchmark is defined as the moving average of rates for the past 40 business days. When we determine a fluctuation to have existed, we substitute the benchmark rate for the daily rate, in accordance with established practice. Further, section 773A(b) of the Act directs the Department to allow a 60-day adjustment period when a currency has undergone a sustained movement. A sustained movement has occurred when the weekly average of actual daily rates exceeds the weekly average of benchmark rates by more than five

percent for eight consecutive weeks. (For an explanation of this method, see Policy Bulletin 96-1: Currency Conversions (61 FR 9434, March 8, 1996).)

Critical Circumstances

On June 30, 2000, petitioners alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of pipe fittings from Italy. In accordance with 19 CFR 351.206(c)(2)(i), given that this allegation was filed at least 20 days prior to the preliminary determination, the Department must issue its preliminary critical circumstances determination no later than the preliminary determination.

Section 733(e)(1) of the Act provides that the Department will preliminarily determine that critical circumstances exist if there is a reasonable basis to believe or suspect that: (A)(i) There is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period.

History of Dumping or Importer Knowledge of Dumping

To determine whether there is a history of injurious dumping of the merchandise under investigation, the Department considers evidence of an existing antidumping order on stainless steel butt-weld pipe fittings from other countries to be sufficient. We are unaware of any antidumping order against Italy on stainless steel butt-weld pipe fittings worldwide. Therefore, the Department must examine part (ii) of the first prong of the critical circumstances test.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that the exporter was selling stainless steel butt-weld pipe fittings at less than fair value, the Department normally considers margins of 25 percent or more for EP sales sufficient to impute knowledge of dumping and of resultant material injury. (See, e.g., Preliminary Determination of Critical Circumstances: Certain Small Diameter Carbon and Alloy Steel Seamless Standard, Line and Pressure Pipe from the Czech Republic, 65 FR 33803, 33803

(May 25, 2000)). In the instant case, we have preliminarily determined that the margin for the respondent, Coprosider, is 32.12 percent. Therefore, we have imputed knowledge of dumping to importers of the subject merchandise from Coprosider.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that there was likely to be material injury by reason of dumped imports, the Department normally will look to the preliminary injury determination of the International Trade Commission ("ITC"). If the ITC finds a reasonable indication of present material injury to the relevant U.S. industry, the Department will determine that a reasonable basis exists to impute importer knowledge that there was likely to be material injury by reason of dumped imports. In this case, the ITC has found that a reasonable indication of present material injury due to dumping exists for subject imports of stainless steel butt-weld pipe fittings from Italy. See Certain Stainless Steel Butt-weld Pipe Fittings from Germany, Italy, Malaysia and the Philippines, 65 FR 9298 (February 24, 2000). As a result, the Department has determined that there is a reasonable basis to believe or suspect that importers knew or should have known that there was likely to be material injury by reason of dumped imports of the subject merchandise from Italy.

Massive Imports

In determining whether there are "massive imports" over a "relatively short time period," pursuant to section 733(e)(1)(B) of the Act, section 351.206(h)(1) of the Department's regulations provides that the Department normally will examine: (i) The volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports of 15 percent during the "relatively short period" of time may be considered "massive." Section 351.206(i) of the Department's regulations defines "relatively short period" as normally being the period beginning on the date the proceeding begins (*i.e.*, the date the petition is filed) and ending at least three months later. On July 19, 2000, Coprosider submitted a letter to the Department arguing that the import data it provided on July 13, 2000, establish that its exports of the subject merchandise during the three months immediately following the filing of the petition did not increase by more

than 15 percent over imports during the three months preceding the petition, and that the Department should therefore issue a negative critical circumstances determination.

The Department's Antidumping Manual states:

We generally consider the period beginning with the filing of the petition and ending with the preliminary determination. We then compare this period to a period of equal duration immediately prior to the filing of the petition to determine whether imports had been massive over a relatively short period of time.¹

The petition was filed on December 29, 1999, and Coprosider provided data through June 2000 for its imports into the United States of the subject merchandise. Thus, in accordance with Department practice as described above, we compared Coprosider's average monthly imports during the second half of 1999 to its average monthly imports during the first half of 2000 to determine changes in the quantity of imports. Average monthly imports increased in the first half of 2000 by over 15 percent in volume over the base period of 1999. See Memorandum for Richard O. Weible from Helen M. Kramer Re: Analysis of Critical Circumstances in the Antidumping Investigation of Stainless Steel Butt-weld Pipe Fittings from Italy (July 21, 2000).

Although in our letter of July 6, 2000, we asked Coprosider to provide data for shipments of the subject merchandise to the United States for 1998, Coprosider provided data for only the last quarter of the year. The Department is therefore unable to make a complete analysis of the existence of seasonal factors affecting the imports of this product. However, Coprosider's imports of the subject merchandise into the United States fell by over 48 percent in volume between the last quarter of 1998 and the first quarter of 1999, but increased by over 14 percent between the last quarter of 1999 and the first quarter of 2000. Furthermore, U.S. Census Bureau monthly data for January 1998 through May 2000 show no seasonal pattern for imports of stainless steel butt-weld pipe fittings from Italy (including non-scope merchandise). Neither our analysis of the monthly imports data provided by Coprosider, nor petitioners' comments suggest that seasonality can explain the increase in imports during the first half of 2000. Thus, we do not consider seasonality to be relevant to the massive

increase in imports of the subject merchandise.

With respect to item (iii), concerning the share of domestic consumption accounted for by the imports, we requested additional data from the petitioners. In response to this request, on July 20, 2000, petitioners submitted supplemental information regarding the share of domestic consumption accounted for by imports of stainless steel butt-weld pipe fittings from Italy. As current domestic producer U.S. shipments data are not publicly available, petitioners estimated these on the basis of ITC data from the preliminary determination in this case for the period January—September 1999. (See Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia and the Philippines, Inv. 731-TA-864-867 (Pub. 3281), February 2000.) Petitioners state that domestic shipments have not increased between the first three quarters of 1999 and the September—December 1999 or January—April 2000 comparison periods used in their critical circumstances allegation, and that average shipments have actually declined. Petitioners used official U.S. import statistics to estimate the share of imports in domestic consumption. For Italy, the share of imports in the U.S. market for stainless steel butt-weld pipe fittings (including non-scope merchandise) increased from 7.7 to 11.5 percent in the comparison periods.

Given that Coprosider's average monthly imports into the United States increased by over 15 percent in a relatively short period of time, and taking into account that seasonal factors do not appear to be present, and that imports from Italy appear to have increased their share of the domestic market, we preliminarily determine that imports of stainless steel butt-weld pipe fittings from Italy have been massive.

Based on our determination that there is a reasonable basis to believe or suspect that importers had knowledge of dumping and the likelihood of material injury, and that there have been massive imports of stainless steel butt-weld pipe fittings from Italy over a relatively short period of time, we preliminarily determine that critical circumstances exist for imports of stainless steel butt-weld pipe fittings from Italy produced by Coprosider. Accordingly, we will require Customs to suspend liquidation of imports produced by Coprosider in accordance with section 733(e)(2) of the Act. (See Suspension of Liquidation, below.)

All Other Exporters

We have also analyzed the issue of critical circumstances for companies in the "all others" category. During the initiation of the current investigation, the Department determined that Coprosider was the only exporter of the subject merchandise from Italy to the United States during the POI. Therefore, we believe that the additional imports of stainless steel butt-weld pipe fittings from Italy entered under HTS No. 7307.23.0000 consist of non-scope merchandise, and there are no other companies affected by this critical circumstances determination.

Verification

In accordance with section 782(i) of the Act, we intend to verify information to be used in making our final determination.

All Others

Pursuant to section 735(5)(A) of the Act, the estimated all-others rate is equal to the estimated weighted average dumping margin established for Coprosider, the only exporter/producer investigated.

Suspension of Liquidation

In accordance with section 733(e)(2) of the Act, for Coprosider, the Department will direct the Customs Service to suspend liquidation of all entries of subject merchandise from Italy that are entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days prior to the date of publication of this notice in the **Federal Register**. For all other companies, the Department will direct the Customs Service to suspend liquidation of all entries of subject merchandise from Italy that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margin indicated in the chart below. This suspension of liquidation will remain in effect until further notice.

The margin in the preliminary determination is as follows:

Exporter/Manufacturer	Margin (In percent)
Coprosider	32.12
All others	32.12

Final Critical Circumstances Determination

We will make a final critical circumstances determination when we

¹ Import Administration Antidumping Manual, chapter 10 (Critical Circumstances), p. 4 (January 22, 1998).

issue our final determination in the less-than-fair-value investigation.

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 for this investigation must be submitted no later than one week after the issuance of the verification reports. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, we would appreciate it if parties submitting written comments would provide the Department with an additional copy of the public version of any such comments on diskette.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. In the event that the Department receives requests for hearings from parties to several stainless steel butt-weld pipe fittings cases, the Department may schedule a single hearing to encompass all those cases. 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 participate if one is requested, must submit a written request within 30 days of the publication of this notice. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination no later than 135 days after the date of publication of this preliminary determination.

This determination is issued and published in accordance with sections 733(d) and 777(i)(1) of the Act.

Dated: July 26, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00-19549 Filed 8-1-00; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-565-801]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Butt-Weld Pipe Fittings From the Philippines.

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

EFFECTIVE DATE: August 2, 2000.

FOR FURTHER INFORMATION CONTACT: Fred Baker or Robert James at (202) 482-2924 and (202) 482-0649, respectively, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

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 of Commerce (Department) regulations are to the regulations at 19 CFR part 351 (April 1, 2000).

Preliminary Determination

We preliminarily determine that stainless steel butt-weld pipe fittings from the Philippines are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margin of sales at LTFV is shown in the "Suspension of Liquidation" section of this notice.

Case History

On January 18, 2000, the Department initiated antidumping investigations of stainless steel butt-weld pipe fittings from Germany, Italy, Malaysia, and the Philippines. *See Initiation of Antidumping Duty Investigation: Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia and the Philippines*, 65 FR 4595, (January 31, 2000) (*Initiation Notice*). Since the initiation of this investigation the following events have occurred.

The Department set aside a period for all interested parties to raise issues regarding product coverage (*see Initiation Notice*, 65 FR at 4596). We received a response from Coprosider S.p.A. (Coprosider) on February 1, 2000, agreeing with the scope of the investigation. On February 3, 2000, Wilh. Schulz GmbH (Schulz) submitted comments to the Department requesting that the scope be limited only to specification ASTM 403/403M fittings below 14 inches in diameter.

On January 21, 2000 the Department issued proposed product concordance criteria to all interested parties. On February 4, 2000, the following interested parties submitted comments on our proposed product concordance criteria: Kanzen Tetsu Sdn. Bdh.; Coprosider; and Alloy Piping Products, Inc.; Flowline Division of Markovitz Enterprises, Inc.; Gerlin, Inc.; and Taylor Forge Stainless, Inc. (petitioners). On February 8, 2000 and February 18, 2000, Schulz filed its comments on our proposed concordance.

On February 14, 2000, the United States International Trade Commission (ITC) notified the Department of its affirmative preliminary injury determination on imports of subject merchandise from Germany, Italy, Malaysia and the Philippines. On February 24, 2000, the ITC published its preliminary determination that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of the subject merchandise from Germany, Italy, Malaysia and the Philippines. *See Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia, and the Philippines*, 65 FR 9298, (February 24, 2000) (*ITC Preliminary Determination*).

On January 24, 2000, the Department issued Section A of its antidumping duty questionnaire to Enlin Steel Corporation (Enlin) and Tung Fong Industrial Co., Inc., (Tung Fong). On February 7, 2000, the Department received Enlin's and Tung Fong's responses to Question 1 of Section A. The Department received the remainder of Enlin's and Tung Fong's section A responses on February 22, 2000. On March 1, 2000, the Department issued a memorandum announcing its determination that it would only be able to analyze the response of Enlin in this investigation. On March 2, 2000, petitioners filed comments on Tung Fong's section A response. On March 6, 2000, Tung Fong requested to be a voluntary respondent. On March 9, 2000, the Department issued sections B-E of its antidumping duty questionnaire to Enlin, requesting that Enlin respond