751(a)(1) of the Act: (1) The cash deposit rate for each respondent will be the rate established in the final results of these administrative reviews (except that no deposit will be required for firms with zero or *de minimis* margins, *i.e.*, margins lower than 0.5 percent); (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in these reviews, a prior review, or the original LTFV investigations, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in these or any prior reviews, the cash deposit rate will be 14.44 percent (for certain cold-rolled carbon steel flat products) and 17.70 percent (for certain corrosion-resistant carbon steel flat products), the ''all others'' rate established in the LTFV investigations. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative reviews.

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These administrative reviews and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: September 2, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 97–23857 Filed 9–8–97; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–822, A–122–823]

Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Canada: Preliminary Results of Antidumping Duty Administrative Reviews

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

ACTION: Notice of preliminary results of antidumping duty administrative reviews.

SUMMARY: In response to requests from interested parties, the Department of Commerce (the Department) is conducting administrative reviews of the antidumping duty orders on certain corrosion-resistant carbon steel flat products and certain cut-to-length carbon steel plate from Canada. These reviews cover five manufacturers/exporters of the subject merchandise to the United States and the period August 1, 1995 through July 31, 1996.

We have preliminarily determined that sales have been made below normal value (''NV'') by various companies subject to these reviews. If these preliminary results are adopted in our final results of these administrative reviews, we will instruct U.S. Customs to assess antidumping duties based on the difference between the export price (''EP'') and the NV.

EFFECTIVE DATE: September 9, 1997.

FOR FURTHER INFORMATION CONTACT: Lyn Baranowski (Dofasco Inc. and Sorevco Inc. (''Dofasco'')), Carrie Blozy (Continuous Colour Coat (''CCC'')), Greg Weber (Algoma, Inc. (''Algoma'')) and Gerdau MRM Steel (''MRM'')), N. Gerard Zapiain (Stelco, Inc. (''Stelco'')), or Rick Johnson, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–3793.

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 353, as they existed on April 1, 1996.

Background

On August 19, 1993, the Department published in the **Federal Register** (58 FR 44162) the antidumping duty orders on certain corrosion-resistant carbon steel flat products and certain cut-to-length carbon steel plate from Canada. On August 16, 1996, Algoma (cut-to-length steel plate) requested a review of its exports of subject merchandise. On August 21, 1996, MRM (cut-to-length steel plate) requested a review of its exports of subject merchandise. On August 30, 1996, the following companies also requested reviews for their exports of subject merchandise: CCC (corrosion-resistant steel), Dofasco (corrosion-resistant steel), and Stelco (corrosion-resistant steel and cut-to-length steel plate). On August 30, 1996, Bethlehem Steel Corporation, U.S. Steel Group (a Unit of USX Corporation), Inland Steel Industries Inc., Gulf States Steel Inc. of Alabama, Sharon Steel Corporation, Geneva Steel, and Lukens Steel Company, petitioners, requested reviews of Algoma, CCC, Dofasco, MRM, and Stelco on both classes or kinds of merchandise. On September 17, 1996, in accordance with 19 CFR 353.22(c), we published a notice of initiation of administrative reviews of these orders for the period August 1, 1995, through July 31, 1996 (61 FR 51892).

On October 10, 1996, petitioners requested that the Department determine whether antidumping duties had been absorbed by Algoma, CCC, Dofasco, MRM, Sorevco, and Stelco during the POR, pursuant to section 751(a)(4) of the Act. Section 751(a)(4) provides that the Department, if requested, will determine during an administrative review initiated two years or four years after publication of the order whether antidumping duties have been absorbed by a foreign producer or exporter subject to the order if the subject merchandise is sold in the United States through an importer who is affiliated with such foreign producer or exporter. Section 751(a)(4) was added to the Act by the URAA. The Department's interim regulations do not address this provision of the Act.

For transition orders as defined in section 751(c)(6)(C) of the Act, *i.e.*, orders in effect as of January 1, 1995, § 351.213(j)(2) of the Department's May 19, 1997 regulations provides that the Department will make a duty absorption determination, if requested, for any administrative review initiated in 1996 or 1998. *See Antidumping Duties; Countervailing Duties: Final Rule*, 62 FR 27296, 27394 (''new regulations'').

Although these new regulations do not govern these administrative reviews, they do constitute a public statement of how the Department will proceed in construing section 751(a)(4) of the Act. This approach assures that interested parties will have the opportunity to request a duty absorption determination on entries for which the second and fourth years following an order have already passed, prior to the time for sunset review of the order under section 751(c). Because the orders on corrosion-resistant carbon steel flat products and cut-to-length carbon steel plate from Canada have been in effect since 1993, these are transition orders in accordance with section 751(c)(6)(C) of the Act; therefore, based on the policy stated above, the Department will consider a request for an absorption determination during a review initiated in 1996. This being a review initiated in 1996 and a request having been made, we are making a duty-absorption determination as part of these administrative reviews.

The statute provides for a determination on duty absorption if the subject merchandise is sold in the United States through an affiliated importer. For all respondents, these companies are themselves the importers of record for either some (Algoma, Stelco, and Dofasco) or all (CCC and MRM) of their respective sales to the U.S. (*i.e.*, the exporter and the importer are the same entity). In addition, some of Dofasco's U.S. sales are made through a U.S. affiliate. Therefore, the importer and the exporter are ''affiliated'' within the meaning of 751(a)(4) for all Dofasco, MRM and CCC transactions, and for some Algoma and Stelco transactions.

With respect to CCC, we have preliminarily determined that there is a dumping margin on 7.39 percent of its U.S. sales during the POR. For Dofasco, we have preliminarily determined that there is a dumping margin on 28.91 percent of its U.S. sales. For Algoma, MRM, and Stelco, we have preliminarily determined that there are zero or *de minimis* dumping margins on these companies' U.S. sales during the POR.

In addition, for CCC and Dofasco, we cannot conclude from the record that the unaffiliated purchaser in the United States will pay the ultimately assessed duty. Under these circumstances, therefore, we preliminarily find that antidumping duties have been absorbed by Dofasco on 28.91 percent of its U.S. sales and by CCC on 7.39 percent of its U.S. sales. For Algoma, MRM, and Stelco, because there are no dumping margins, we preliminarily find that antidumping duties have not been absorbed by Algoma, MRM, and Stelco on their U.S. sales.

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of administrative reviews if it determines that it is not practicable to complete the review within the statutory time limit of 365 days. On March 13, 1997, the Department published a notice of extension of the time limit for the preliminary results in this case to September 2, 1997. *See Extension of Time Limit for Antidumping Duty Administrative Reviews,* 62 FR 11813.

The Department is conducting these reviews in accordance with section 751(a) of the Act.

Scope of Reviews

The products covered by these administrative reviews constitute two separate ''classes or kinds'' of merchandise: (1) Certain corrosion-resistant steel and (2) certain cut-to-length plate.

The first class or kind, certain corrosion-resistant steel, includes flat-rolled carbon steel products of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel-or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule (HTS) under item numbers 7210.31.0000, 7210.39.0000, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.60.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.21.0000, 7212.29.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.5000, 7217.12.1000, 7217.13.1000, 7217.19.1000, 7217.19.5000, 7217.22.5000, 7217.23.5000, 7217.29.1000, 7217.29.5000, 7217.32.5000, 7217.33.5000, 7217.39.1000, and 7217.39.5000. Included are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products which have been worked after rolling)—for example, products which have been beveled or rounded at the edges. Excluded are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (''terne plate''), or both chromium and chromium oxides (''tin-free steel''), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating. Also excluded are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness. Also excluded are certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio. These HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive. 33

The second class or kind, certain cut-to-length plate, includes hot-rolled carbon steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7208.31.0000, 7208.32.0000, 7208.33.1000, 7208.33.5000, 7208.41.0000, 7208.42.0000, 7208.43.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.11.0000, 7211.12.0000, 7211.21.0000, 7211.22.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products which

have been worked after rolling)—for example, products which have been beveled or rounded at the edges. Excluded is grade X–70 plate. These HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Verification

As provided in section 782(i) of the Act, we verified information provided by Algoma (cost), Dofasco (cost), Stelco (cost), and MRM (sales and cost), using standard verification procedures, including on-site inspection of the manufacturer's facilities, the examination of relevant sales and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the public versions of the verification reports.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by the respondent, covered by the description in the *Scope of the Review* section, above, and sold in the home market during the POR, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. 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 most similar foreign like product on the basis of the characteristics listed in Appendix III of the Department's September 19, 1996, antidumping questionnaire. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondent.

Fair Value Comparisons

To determine whether sales of subject merchandise to the United States were made at less than fair value, we compared the EP to the NV, as described in the ''Export Price'' and ''Normal Value'' sections of this notice. In accordance with section 777A(d)(2), we calculated monthly weighted-average prices for NV and compared these to individual U.S. transactions.

Export Price

For calculation of the price to the United States, we used EP, in accordance with subsections 772(a) and (c) of the Act because the subject merchandise was sold directly or indirectly to the first unaffiliated purchaser in the United States prior to importation and CEP was not otherwise warranted based on the facts of record.

We will also examine for the final results whether certain sales claimed by respondents to be indirect EP should in fact be considered CEP. We will reexamine the issues surrounding the affiliate's selling activities in the United States in determining whether a particular sale should be considered indirect EP or CEP.

Algoma

The Department calculated EP for Algoma based on packed, prepaid or delivered prices to customers in the United States. We made adjustments to the starting price for movement expenses (foreign and U.S. movement, brokerage and handling, and U.S. Customs duties), in accordance with section 772(c)(2) of the Act.

We used Algoma's date of invoice as the date of sale for both U.S. sales and home market sales in accordance with the Department's standard practice. *See, e.g., Porcelain-on-Steel Cookware from Mexico; Preliminary Results of Antidumping Duty Administrative Review,* 62 FR 4723, 4725 (January 31, 1997). For a discussion of the Department's position with respect to the normal use of invoice date as date of sale, see *Antidumping Duties; Countervailing Duties; Proposed Rule* (''*Proposed Regulations*''), 61 FR 7308, 7381 (February 27, 1996).

CCC

The Department calculated EP for CCC based on packed, prepaid or delivered prices to customers in the United States.

We made deductions to the starting price for movement expenses (foreign and U.S. movement, brokerage and handling, and U.S. Customs duties) in accordance with section 772(c)(2), and for discounts and rebates.

We used CCC's date of invoice as the date of sale for U.S. sales in accordance with the Department's standard practice.

Dofasco

For purposes of these reviews, we treated Dofasco, Inc. and Sorevco, Inc. as one respondent, as we have done in prior segments of the proceeding. *See, e.g., Certain Corrosion-Resistant Carbon Steel Flat Products from Canada: Final Determination of Sales at Less than Fair Value,* 58 FR 37099 (1993), and *Preliminary Results of Antidumping Duty Administrative Review,* 60 FR 42511 (1995)). The Department calculated EP for Dofasco based on packed prices to customers in the United States.

We made deductions to the starting price for discounts, a rebate, and, in accordance with section 772(c)(2), movement expenses (foreign and U.S. movement, U.S. Customs duty and brokerage, and post-sale warehousing). As in the prior review, U.S. further processing expenses for certain sales have not been treated as part of the export price.

It is the Department's current practice normally to use the invoice date as the date of sale; we may, however, use a date other than the invoice date if we are satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale. See 19 CFR 351.401(i) (62 FR at 27411).

The questionnaire we sent to the respondents on September 19, 1996 instructed them to report the date of invoice as the date of sale; it also stated, however, that ''(t)he date of sale cannot occur after the date of shipment.'' In this review, Dofasco's date of shipment in many instances preceded the date of invoice, and therefore we cannot use the date of invoice as the new regulations prescribe. Accordingly, as allowed by the exception set forth in § 351.401(i) of the new regulations, we used the dates of sale described below. These sale dates reflect the dates on which the exporter or producer established the material terms of sale.

We used the date of order acknowledgment as date of sale, as reported by Dofasco, Inc., for all Dofasco, Inc. sales in both the U.S. and the home market (except sales made pursuant to long-term contracts). For Dofasco, Inc.'s sales made pursuant to long-term contracts, we used date of the contract as date of sale.

We used the date of order confirmation as the date of sale, as reported by Sorevco, Inc., for all Sorevco, Inc. sales in the U.S. and the home market, except that when Sorevco shipped more merchandise than the customer originally ordered, and such overages were in excess of accepted industry tolerances, we used date of shipment as date of sale for the excess merchandise.

MRM

The Department calculated EP for MRM based on packed, prepaid or delivered prices to customers in the United States. We made deductions to the starting price for movement expenses (foreign and U.S. movement, brokerage and handling, and U.S. Customs duties) pursuant to section 772(c)(2) of the Act.

We used MRM's date of invoice as the date of sale for its U.S. sales in accordance with the Department's standard practice.

Stelco

Corrosion-resistant products: We calculated EP based on the packed price to unaffiliated purchasers in, or for exportation to, the United States. We made deductions to the starting price for movement expenses including foreign and U.S. freight, brokerage and handling, U.S. Customs duties, and post-sale warehousing, in accordance with section 772(c)(2) of the Act.

We used Stelco's date of invoice as the date of sale for EP corrosion-resistant sales in accordance with the Department's standard practice.

Plate: We calculated EP based on the packed price to unaffiliated purchasers in, or for exportation, to the United States. We made deductions for movement expenses including foreign and U.S. movement, brokerage and handling, U.S. Customs duty and warehousing, in accordance with section 772(c)(2) of the Act. We made no other adjustments for EP.

We used the date of invoice as the date of sale for plate sales in accordance with the Department's standard practice.

Normal Value

The Department determines the viability of the home market as the comparison market by comparing the aggregate quantity of home market and U.S. sales. We found that each company's quantity of sales in its home market exceeded five percent of its sales to the U.S. Moreover, there is no evidence on the record supporting a particular market situation in the exporting country that would not permit a proper comparison of home market and U.S. prices. We, therefore, have determined that each company's home market sales are viable for purposes of comparison with sales of the subject merchandise to the United States, pursuant to section 773(a)(1)(C) of the Act. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade, at the same level of trade as the export price.

We used sales to affiliated customers only where we determined such sales were made at arm's-length prices, *i.e.,* at prices comparable to prices at which the firm sold identical merchandise to unaffiliated customers.

Considering first all respondents except MRM, for both classes or kinds of merchandise under review, the Department disregarded sales below the cost of production (''COP'') in the last completed review (*see Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate from Canada: Final Results of Antidumping Duty Administrative Reviews* 62, FR 18448 (April 15, 1997)). We therefore had reasonable grounds to believe or suspect, pursuant to section 773(b)(2)(A)(ii) of the Act, that sales of the foreign like product under consideration for the determination of NV in this review may have been made at prices below the COP. With respect to MRM, we note that Manitoba Rolling Mills participated in the first administrative review of plate from Canada (*See Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate from Canada: Final Results of Antidumping Duty Administrative Reviews* (61 FR 13815 (March 28, 1996)). However, on June 1, 1995, Manitoba Rolling Mills was acquired by Metalurgica Gerdau S.A., with the new corporate entity named Gerdau MRM Steel, Inc. Based on information on the record, there is no indication that Gerdau MRM Steel, Inc. operates in a manner substantively different from that of its predecessor, with respect to either management, production, suppliers, or customer base. Therefore, the Department finds that, with respect to initiation of a cost investigation, the disregarding of MRM sales in the first administrative review provides sufficient grounds to believe or suspect that sales by Gerdau MRM Steel, Inc. of the foreign like product under consideration for the determination of NV in this review may have been made at prices below the COP. Therefore, pursuant to section 773(b)(1) of the Act, we initiated COP investigations of sales by all respondents in the home market.

We compared sales of the foreign like product in the home market with the model-specific cost of production figure for the POR (''COP''). In accordance with section 773(b)(3) of the Act, we calculated the COP based on the sum of the costs of materials and fabrication employed in producing the foreign like product plus selling, general and administrative (SG&A) expenses and all costs and expenses incidental to placing the foreign like product in condition packed and ready for shipment. In our COP analysis, we used home market sales and COP information provided by each respondent in its questionnaire responses.

After calculating COP, we tested whether home market sales of subject merchandise were made at prices below COP and, if so, whether the below-cost sales were made within an extended period of time in substantial quantities and at prices that did not permit recovery of all costs within a reasonable period of time. Because each individual price was compared against the POR-long average COP, any sales that were below cost were also not at prices which permitted cost recovery within a reasonable period of time. We compared model-specific COPs to the reported home market prices less any applicable movement charges, discounts, and rebates.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than COP, we did not disregard any below-cost sales of that product because the below-cost sales were not made in substantial quantities within an extended period of time. Where 20 percent or more of a respondent's sales of a given product during the POR were at prices less than the weighted-average COPs for the POR, we disregarded the below-cost sales because they were made within an extended period of time in substantial quantities in accordance with sections 773(b)(2) (B) and (C) of the Act, and were at prices which would not permit recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Act. Based on this test, we disregarded below-cost sales with respect to all companies and classes or kinds of merchandise.

In accordance with section 773(a)(1)(B)(i) of the Act, we based NV on sales at the same level of trade (''LOT'') as the EP. If NV was calculated at a different level of trade, we made an additional adjustment, if appropriate and if possible, in accordance with section 773(a)(7) of the Act. (*See* Level of Trade section below.)

In accordance with section 773(a)(4) of the Act, we used CV as the basis for NV when there were no usable sales of the foreign like product in the comparison market. We calculated CV in accordance with section 773(e) of the Act. We included the cost of materials and fabrication, SG&A expenses, and profit. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade for consumption in the foreign country. For selling expenses, we used the weighted-average home market selling expenses.

Where appropriate, we made adjustments to CV in accordance with section 773(a)(8) of the Act and 19 CFR 353.56 for circumstance of sale (COS) differences. For comparisons to EP, we made COS adjustments by deducting

home market direct selling expenses and adding U.S. direct selling expenses. We also made adjustments, where applicable, for home market indirect selling expenses to offset U.S. commissions in EP comparisons pursuant to 19 CFR section 353.56(b).

Algoma

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to unaffiliated purchasers (Algoma made no home market sales to affiliated parties), in accordance with 19 CFR 353.45(a). Home market prices were based on the packed, ex-factory or delivered prices to unaffiliated purchasers in the home market.

We deducted discounts and rebates. We made adjustments, where applicable, for packing and movement expenses in accordance with sections 773(a)(6) (A) and (B) of the Act. We also made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act and for differences in COS in accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. For comparison to EP, we made COS adjustments by deducting home market direct selling expenses and adding U.S. direct selling expenses. These included direct selling expenses (credit and warranty) in the home market and credit and warranty expenses in the U.S. market. When comparisons were made to EP sales on which commissions were paid, we made adjustments for home market indirect selling expenses to offset these U.S. commissions pursuant to 19 CFR section 353.56(b).

CCC

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to unaffiliated parties, in accordance with 19 CFR 353.45(a). Home market prices were based on the packed, ex-factory or delivered prices to affiliated (when made at prices determined to be arm's-length) or unaffiliated purchasers in the home market. We adjusted for discounts and rebates. We made adjustments, where applicable, for packing and movement expenses in accordance with sections 773(a)(6) (A) and (B) of the Act. We also made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act and for COS differences in accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. For comparison to EP, we made COS adjustments by deducting home market direct selling expenses (credit) and adding U.S. direct selling expenses (credit). When comparisons were made where commissions were paid on EP sales, we made adjustments for home market indirect selling expenses to offset U.S. commissions pursuant to 19 CFR section 353.56(b).

Dofasco

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to affiliated (when made at prices determined to be arm's-length) or unaffiliated parties, in accordance with 19 CFR 353.45(a). Home market prices were based on the packed, ex-factory or delivered prices to affiliated or unaffiliated purchasers in the home market. We deducted discounts and rebates. We made adjustments, where applicable, for packing and movement expenses in accordance with sections 773(a)(6) (A) and (B) of the Act. We also made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act and for COS differences in accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. For comparison to EP, we made COS adjustments by deducting home market direct selling expenses (credit, royalties and warranty expenses) and adding U.S. direct selling expenses (credit, royalties and warranty expenses). When comparisons were made where commissions were paid on EP sales, we made adjustments for home market indirect selling expenses to offset U.S. commissions pursuant to § 353.56(b).

MRM

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to unaffiliated purchasers (MRM made no home market sales to affiliated parties), in accordance with 19 CFR 353.45(a). Home market prices were based on the packed, ex-factory or delivered prices to unaffiliated purchasers in the home market.

We deducted discounts and rebates. We made adjustments, where applicable, for packing and movement expenses in accordance with sections 773(a)(6) (A) and (B) of the Act. We also made adjustments for differences in circumstances of sale (''COS'') in accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. For comparison to EP, we made COS adjustments by deducting home market direct selling expenses and adding U.S. direct selling expenses. These included credit expenses in the home market and credit expenses in the U.S. market. When comparisons were made to EP sales on which commissions were paid, we made adjustments for home market indirect selling expenses to offset these U.S. commissions pursuant to 19 CFR 353.56(b).

Stelco

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to affiliated or unaffiliated parties, in accordance with 19 CFR 353.45(a). Home market prices were based on the packed, ex-factory or delivered prices to affiliated or unaffiliated purchasers in the home market. We made deductions for discounts and rebates. We made adjustments, where applicable, for packing and movement expenses, in accordance with sections 773(a)(6) (A) and (B) of the Act. We also made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act and for COS differences in accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56.

Corrosion resistant steel: We adjusted home market prices for interest revenue on certain sales. For comparison to EP, we made COS adjustments by deducting home market direct selling expenses (credit, warranties, technical services) and adding U.S. direct selling expenses (credit and technical services).

Plate: For comparison to EP, we made COS adjustments by deducting home market direct selling expenses (credit, warranties, technical services) and adding U.S. direct selling expenses (credit and technical services). When comparisons were made to EP sales on which commissions were paid, we made adjustments for home market indirect selling expenses to offset the U.S. commissions pursuant to 19 CFR 353.56(b).

Level of Trade (''LOT'')

To the extent practicable, we determine NV for sales at the same level of trade as the U.S. sales (either export price (EP) or constructed export price (CEP)). When there are no sales at the same level of trade, we compare U.S. sales to home market (or, if appropriate, third-country) sales at a different level of trade. The NV level of trade is that of the starting-price sales in the home market. When NV is based on CV, the level of trade is that of the sales from which we derive selling, general, and administrative expenses (SG&A) and profit.

For both EP and CEP, the relevant transaction for the level of trade analysis is the sale (or constructed sale) from the exporter to the importer.

To determine whether home market sales are at a different level of trade than U.S. sales, we examine whether the home market sales are at different stages in the marketing process than the U.S. sales. The marketing process in both markets begins with goods being sold by the producer and extends to the sale to the final user, regardless of whether the final user is an individual consumer or an industrial user. The chain of distribution between the producer and the final user may have many or few links, and each respondent's sales occur somewhere along this chain. In the United States, the respondent's sales are generally to an importer, whether independent or affiliated. We review and compare the distribution systems in the home market and U.S. export markets, including selling functions, class of customer, and the extent and level of selling expenses for each claimed level of trade. Customer categories such as distributor, original equipment manufacturer (OEM), or wholesaler are commonly used by respondents to describe levels of trade, but, without substantiation, they are insufficient to establish that a claimed level of trade is valid. An analysis of the chain of distribution and of the selling functions substantiates or invalidates the claimed levels of trade. Different levels of trade necessarily involve differences in selling functions, but differences in selling functions, even substantial ones, are not alone sufficient to establish a difference in the levels of trade. Different levels of trade are characterized by purchasers at different stages in the chain of distribution and sellers performing qualitatively or quantitatively different functions in selling to them.

When we compare U.S. sales to home market sales at a different level of trade, we make a level-of-trade adjustment if the difference in levels of trade affects price comparability. We determine any effect on price comparability by examining sales at different levels of trade in a single market, the home market. Any price effect must be manifested in a pattern of consistent price differences between home market sales used for comparison and sales at the equivalent level of trade of the export transaction. To quantify the price differences, we calculate the difference in the average of the net prices of the same models sold at different levels of trade. We use the average difference in net prices to adjust NV when NV is based on a level of trade different from that of the export sale. If there is a pattern of no price differences, the difference in levels of trade does not have a price effect and, therefore, no adjustment for level of trade is necessary.

In the present review, none of the respondents requested a level of trade (LOT) adjustment. To ensure that no such adjustment was necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and Canadian markets, including the selling functions, classes of customer, and selling expenses for each respondent.

Algoma

In both the home market and the United States, Algoma reported one LOT and one distribution system with two classes of customers: end-users and steel service centers (SSCs). We analyzed the selling functions and activities performed for both classes of customers in both markets. We preliminarily determine that Algoma's selling functions and activities are substantially similar for both classes of customers for sales of subject merchandise and, therefore, warrant one level of trade in both markets. Finally, we compared the selling functions performed at the home market LOT and the LOT in the United States and found them substantially similar. Thus, no adjustment is appropriate. For a further discussion of the Department's LOT analysis with respect to Algoma, see *Memorandum to the File: Analysis Memorandum for the Preliminary Results of Review for Algoma,* pg. 2, September 2, 1997.

CCC

CCC reported three different LOTs in the home market based on class of customer: original equipment manufacturers (OEMs), steel service centers, and scrap merchants. However, we examined the reported selling functions and found that CCC provides the same selling functions to its home market customers regardless of distribution level, marketing phase, or the equivalent. Overall, we preliminarily determine that the selling functions between the reported LOTs are sufficiently similar to consider them as one LOT in the comparison market.

CCC stated that it sells to two LOTs in the United States: OEMs and steel service centers. Again, we examined the selling functions at both claimed levels, and found they were the same. Therefore, we preliminarily determine that the selling functions between the reported LOTs are sufficiently similar to consider them as one LOT in the United States market. Finally, we compared the selling functions performed at the home market LOT and the LOT in the United States and found them substantially similar. Therefore, no adjustment is appropriate. For a further discussion of the Department's LOT analysis with respect to CCC, see *Memorandum to the File: Analysis Memorandum for the Preliminary Results of Review for CCC,* pg. 2, September 2, 1997.

Dofasco

Dofasco reported three LOTs in the home market. Dofasco defined its LOT categories by customer category: service center, automotive, and construction and converters/manufacturers (''construction''). We examined the selling functions performed at each claimed level and found that there was a significant difference in selling functions offered between the automotive and service center sales levels. Moreover, Dofasco has established a separate sales division for its automotive sales. Additionally, sales to automotive customers are sales to end users, while sales to service centers are sales to resellers. In sum, these sales were made at different stages of marketing. Therefore, we preliminarily conclude that the automotive and service center classes of customer constitute separate levels of trade.

Between the automotive and construction sales channels, although Dofasco sales to both of these classes of customer are sales to OEMs, we note that both quantitatively and qualitatively, the selling functions offered to automotive customers involve significantly greater resources and thus represent a distinct stage of marketing. Specifically, Dofasco performed only five of the same or similar selling functions between these LOTs. Dofasco's functions for these two channels differed with respect to numerous other activities. Therefore, given these differences, we preliminarily conclude that automotive and construction constitute separate levels of trade.

Between the construction and service center sales channels, we note that sales to construction customers are sales to end users, while sales to service centers are sales to resellers. Furthermore, there were numerous differences in selling functions between these two channels. We found that these differences suggested distinct stages of marketing. Therefore, we preliminarily conclude that construction and service centers constitute different levels of trade.

Overall, we determine that the selling functions between the automotive,

service center, and construction customer categories are substantially dissimilar to one another. Furthermore, sales to service centers are made at a different stage of marketing than sales to automotive and construction customers. Therefore, we preliminarily determine that the automotive, service center, and construction customer categories should be treated as three LOTs in the comparison market.

Respondents reported the same three LOTs in the U.S. market: automotive, service center, and construction and converters/manufacturers (''construction''). We preliminarily determine that the results of our analysis of U.S. LOTs are identical to those of the comparison market. There were only insignificant differences in selling functions at each LOT between the comparison market and the U.S. market.

The Department did not find that there existed a pattern of consistent price differences between the three levels of trade. Therefore, we did not make LOT adjustments when calculating the final margins for Dofasco. For a further discussion of the Department's LOT analysis with respect to Dofasco, see *Memorandum to the File: Analysis Memorandum for the Preliminary Results of Review for Dofasco,* pp. 2–3, September 2, 1997.

MRM

In both the home market and the United States, MRM reported one LOT and one distribution system with two classes of customers: distributors and original equipment manufacturers (OEMs). We analyzed the selling functions and activities performed for both classes of customers in both markets. We found that MRM's selling functions and activities were substantially similar for both classes of customers for sales of subject merchandise and, therefore, constitute one level of trade in both markets. Finally, we compared the selling functions performed at the home market LOT and the LOT in the United States and found them substantially similar. Thus, no adjustment was appropriate. For a further discussion of the Department's LOT analysis with respect to MRM, see *Memorandum to the File: Analysis Memorandum for the Preliminary Results of Review for MRM,* pp. 1–2, September 2, 1997.

Stelco

Stelco identified one level of trade and two classes of customers (end-users and resellers) in the home market for each class or kind of merchandise. We examined the selling functions performed for each class of customer and found that Stelco provided many of the same or similar selling functions in each, including: personnel training, engineering services, and technical advice. We found few differences between selling functions for transactions made through the two classes of customers and that Stelco's prices did not vary consistently based on the type of customer. Overall, we determine that the selling functions between the two classes of customers are sufficiently similar to consider them one LOT in the comparison market for sales of both corrosion-resistant products and plate products.

In the United States, Stelco sold corrosion-resistant products through one distribution system and to end users only. Stelco's U.S. sales of plate products were made to end users and service centers. We preliminarily determine that the results of our analysis of U.S. LOTs are identical to those of the comparison market: the selling functions performed for sales to the United States are sufficiently similar to consider them one LOT for both corrosion-resistant products and plate products. Additionally, we consider this LOT to be the same as that identified in the comparison market. Therefore, no adjustment is appropriate. For a further discussion of the Department's LOT analysis with respect to Stelco, see *Memorandum to the File: Analysis Memorandum for the Preliminary Results of Review for Stelco,* pg. 2, September 2, 1997.

Preliminary Results of Reviews

As a result of our reviews, we preliminarily determine the weighted-average dumping margins (in percent) for the period August 1, 1995, through July 31, 1996 to be as follows:

Manufacturer/exporter	Margin (percent)
Corrosion-Resistant Steel:	
Dofasco	3.02
CCC	1.16
Stelco	0.22
Cut-to-Length Plate:	
Algoma	0.37
MRM	0.00
Stelco	0.24

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the date of publication or the first business day thereafter. Case briefs from interested parties may be submitted not later than 30 days after the date of publication. Rebuttal briefs, limited to issues raised in those briefs, may be filed not later than 37 days after the date of publication of this notice. The Department will publish the final results of this administrative review, including its analysis of issues raised in the case and rebuttal briefs, not later than 120 days after the date of publication of this notice.

Upon issuance of the final results of review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. Because the inability to link sales with specific entries prevents calculation of duties on an entry-by-entry basis, we will calculate an importer-specific *ad valorem* duty assessment rate for each class or kind of merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales made during the POR to the total customs value of the sales used to calculate those duties. This rate will be assessed uniformly on all entries of that particular importer made during the POR. (This is equivalent to dividing the total amount of antidumping duties, which are calculated by taking the difference between statutory NV and statutory EP, by the total statutory EP value of the sales compared, and adjusting the result by the average difference between EP and customs value for all merchandise examined during the POR).

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, as provided by section 751(a) of the Tariff Act: (1) The cash deposit rate for each reviewed company will be that established in the final results of review (except that no deposit will be required for firms with zero or *de minimis* margins, i.e., margins less than 0.5 percent); (2) for exporters not covered in this review, but covered in the LTFV investigation or previous review, the cash deposit rate will continue to be the company-specific rate from the LTFV investigation; (3) if the exporter is not a firm covered in this review, a previous review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; (4) the cash deposit rate for all other manufacturers or exporters will continue to be the ''all others'' rates made effective by the LTFV investigations, which were 18.71 percent for corrosion-resistant steel products and 61.88 percent for plate

(*see Amended Final Determination,* 60 FR 49582 (September 26, 1995)). These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative reviews.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These administrative reviews and notices are published in accordance with section 751(a)(1) of the Act and 19 CFR 353.22.

Dated: September 2, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 97–23848 Filed 9–8–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration A–351–817

Certain Cut-to-Length Carbon Steel Plate From Brazil: Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results of antidumping duty administrative review.

SUMMARY: In response to requests from the respondent, Usinas Siderurgicas de Minas Gerais (''USIMINAS''), and from petitioners (Bethlehem Steel Corporation; U.S. Steel Company, a Unit of USX Corporation; Inland Steel Industries, Inc.; Geneva Steel; Gulf States Steel Inc. of Alabama; Sharon Steel Corporation; and Lukens Steel Company), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain cut-to-length carbon steel plate from Brazil. This review covers the above manufacturer/exporter of the subject merchandise to the United States. The period of review (POR) is August 1, 1995, through July 31, 1996.

We preliminarily determine the dumping margin for USIMINAS and its affiliate Companhia Siderurgica Paulista (''COSIPA'') to be 10.49 percent during the POR. Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding should also submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument.

EFFECTIVE DATE: September 9, 1997.

FOR FURTHER INFORMATION CONTACT: Samantha Denenberg or Linda Ludwig, Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–0413 or (202) 482–3833, respectively.

SUPPLEMENTARY INFORMATION:

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 references to the Department's regulations are to 19 CFR Part 353 (1997).

Background

On July 9, 1993, the Department published in the **Federal Register** (58 FR 37062) the final affirmative antidumping duty determination on certain cut-to-length carbon steel plate from Brazil. We published an antidumping duty order on August 19, 1993 (58 Fed. Reg. 44164). On August 12, 1996, the Department published the Opportunity to Request an Administrative Review of this order for the period August 1, 1995–July 31, 1996 (61 FR 41768). The Department received requests for an administrative review of USIMINAS'' exports from USIMINAS itself, a producer/exporter of the subject merchandise, and from the petitioners. We published a notice of initiation of the review on September 17, 1996 (61 FR 48882).

Significant inflation was an issue in the previous segments of this proceeding. The Department required that USIMINAS report monthly inflation rates for 1995–1996. The Department's analysis of the inflation rates determined that inflation did not exceed 15% during the POR. The Department did not require USIMINAS to report monthly costs, as it was determined that inflation was not significant during the period of review. *See* the Department's letter from Linda Ludwig to Christopher S. Stokes, dated October 22, 1996. We are not using the Department's inflationary methodology in these preliminary results of the review.

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for issuing a preliminary determination in an administrative review if it determines that it is not practicable to complete the preliminary review within the statutory time limit of 245 days. On March 21, 1997, the Department published a notice of extension of the time limit for the preliminary results in this case to 365 days after the last day of the month in which the anniversary date of the order occurred. *See Extension of Time Limit for Antidumping Duty Administrative Reviews,* 62 FR 13596 (March 21, 1997).

The Department is conducting this review in accordance with section 751(a) of the Act.

Affiliated Respondents

Pursuant to section 771 (33) of the Act, the Department considers the following persons or parties to be affiliated:

A. Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

B. Any officer or director of an organization and such organization.

C. Partners.

D. Employer and employee.

E. Any person directly or indirectly owning, controlling, or holding with power to vote, five percent or more of the outstanding voting stock or shares of any organization and such organization.

F. Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

G. Any person who controls any other person and such other person.

For the purposes of this paragraph, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person.

USIMINAS acknowledges that COSIPA is affiliated with it under the antidumping statute because, during the POR, as indicated by publicly available information on the record, USIMINAS owned 49 percent of the voting stock of COSIPA. See Section A Response at 3.

It is the Department's practice to collapse affiliated producers for purposes of calculating a margin when the facts demonstrate that the relationship is such that there is a strong possibility of manipulation of prices