DEPARTMENT OF COMMERCE

International Trade Administration

[A–274–802]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Steel Wire Rod From Trinidad and Tobago

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

EFFECTIVE DATE: October 1, 1997.

FOR FURTHER INFORMATION CONTACT: Abdelali Elouaradia or Alexander Braier, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–2243 or (202) 482–3818, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (''URAA''). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR Part 353 (April 1997). Although the Department's new regulations, codified at 19 CFR 351 (62 FR 27296, May 19, 1997), do not govern these proceedings, citations to those regulations are provided, where appropriate, to explain current departmental practice.

Preliminary Determination

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

Case History

Since the initiation of this investigation on March 18, 1997 (*See Initiation of Antidumping Duty Investigations: Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Venezuela*, 62 FR 13854 (March 24, 1997) (''*Initiation*''), the following events have occurred:

On April 14, 1997, the United States International Trade Commission (''ITC'') notified the Department of Commerce (''the Department'') of its affirmative preliminary injury determination in this case.

On April 21, 1997, the Department issued the antidumping duty questionnaire to counsel for the following producer/exporter of steel wire rod to the United States: Caribbean Ispat, ltd. (CIL). The questionnaire is divided into four sections: Section A requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the sales of the merchandise in all of its markets. Sections B and C request home market sales listings and U.S. sales listings, respectively. Section D requests information on the cost of production (''COP'') of the foreign like product and the constructed value (''CV'') of the subject merchandise.

During April and May 1997, the Department received interested party comments regarding modifications to the product characteristic reporting requirements. On May 22, 1997, the Department issued revised product characteristic reporting instructions.

CIL submitted its questionnaire responses in May and June 1997. The Department issued supplemental requests for information in June, July, August and September 1997 and received the supplemental responses to these requests in June, July, August and September 1997. Petitioners in this investigation (Connecticut Steel Group, Co-Steel Raritan, GS Industries, Inc., Keystone Steel & Wire Co., North Star Steel Texas, Inc., and Northwestern Steel & Wire Co.) filed comments on CIL's questionnaire responses in June, July, August, and September 1997.

On July 3, 1997, petitioners made a timely request for a postponement of the preliminary determination in this investigation and the companion investigations of steel wire rod from Canada, Germany, and Venezuela to September 24, 1997. On July 14, 1997, the Department postponed the preliminary determinations in these investigations until September 24, 1997, in accordance with section 733(c)(1) of the Act (*See Notice of Postponement of Preliminary Antidumping Duty Determinations: Canada, Germany, Trinidad and Tobago, and Venezuela*, 62 FR 38257 (July 17, 1997).

Postponement of Final Determination

On September 22, 1997, CIL, the only respondent participating in this investigation, requested that, pursuant to section 735(a)(2)(A) of the Act, 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 publication of the affirmative preliminary in the **Federal Register**. In accordance with section 735 (a)(2)(A) of the Act and 19 CFR 353.2(b), inasmuch as our preliminary determination is affirmative, CIL accounts for a significant proportion of exports of the subject merchandise, and we have not identified any compelling reasons for denying this request, we are granting CIL's request and postponing the final determination. Suspension of liquidation will be extended accordingly. *See Final Determination of Sales at Less Than Fair Value: Certain Pasta From Italy*, 61 FR 30326 (June 14, 1996).

Scope of Investigation

The products covered by this investigation are certain hot-rolled carbon steel and alloy steel products, in coils, of approximately round cross section, between 5.00 mm (0.20 inch) and 19.0 mm (0.75 inch), inclusive, in solid cross-sectional diameter. Specifically excluded are steel products possessing the above noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; (e) free machining steel that contains by weight 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.4 percent of phosphorus, more than 0.05 percent of selenium, and/or more than 0.01 percent of tellurium; or (f) concrete reinforcing bars and rods.

The following products are also excluded from the scope of this investigation:

Coiled products 5.50 mm or less in true diameter with an average partial decarburization per coil of no more than 70 microns in depth, no inclusions greater than 20 microns, containing by weight the following: carbon greater than or equal to 0.68 percent; aluminum less than or equal to 0.005 percent; phosphorous plus sulfur less than or equal to 0.040 percent; maximum combined copper, nickel and chromium content of 0.13 percent; and nitrogen less than or equal to 0.006 percent. This product is commonly referred to as ''Tire Cord Wire Rod.''

Coiled products 7.9 to 18 mm in diameter, with a partial decarburization of 75 microns or less in depth and seams no more than 75 microns in depth; containing 0.48 to 0.73 percent carbon by weight. This product is commonly referred to as ''Valve Spring Quality Wire Rod.''

The products under investigation are currently classifiable under subheadings

7213.91.3000, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0000, and 7227.90.6050 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

North American Wire Products Corporation (NAW), an importer of the subject merchandise from Germany, has requested that the Department exclude steel wire rod used to manufacture pipe wrapping wire from the scope of the antidumping and countervailing duty investigations. Petitioners have not agreed to this scope exclusion. For purposes of the preliminary determination, we have not excluded steel wire rod for manufacturing pipe wrapping wire from the scope.

Period of Investigation

The period of investigation (''POI'') is January 1, 1996 through December 31, 1996.

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 Investigation* section, above, and sold in the home market during the POI, 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 next most similar foreign like product on the basis of the characteristics listed in the antidumping duty questionnaire and the May 22, 1997, reporting instructions.

Consistent with our practice, we compared prime merchandise sold in the United States to prime merchandise sold in the home market, and secondary merchandise to secondary merchandise. *See, e.g., Ceratin Cold-rolled Carbon Steel Flat Products from the Netherlands; Final Results of Antidumping Duty Administrative Review,* 61 FR 48465 (September 13, 1996).

Fair Value Comparisons

To determine whether sales of steel wire rod sold by CIL to the United States were made at less than fair value, we compared the Export Price (''EP'') to the normal value (''NV''), as described in the ''EP'' and ''Normal Value'' sections of this notice below. In accordance with section 777A(d)(1)(A)(i), we calculated weighted-average EPs for comparisons to weighted-average NVs.

Level of Trade

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

To determine whether NV sales are at a different LOT than the EP sales, 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 an LOT adjustment under section 773(a)(7)(A) of the Act. *See Certain Welded Carbon Steel Standard Pipes and Tubes From India: Preliminary Results of New Shipper Antidumping Duty Administrative Review,* 62 FR 23760, 23761 (May 1, 1997).

Respondent claimed one LOT in the NV market and one LOT in the U.S. market. CIL did not claim an LOT adjustment. To examine whether such an adjustment was necessary, we examined CIL's distribution system, including selling functions, classes of customers, and selling expenses. We noted that CIL's selling expenses for the POI were the same for all customers. We found that the selling functions, which included sales administration, billing, maintaining inventory, and in some cases arranging freight services, are sufficiently similar in the U.S. and the home market to consider them as one level of trade. Based on the findings noted above, we conclude that for these preliminary results, CIL's U.S. and home market sales were made at the same LOT.

Export Price

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

We calculated EP based on packed prices to the first unaffiliated customer in the United States. We made adjustments, where appropriate, for international ocean freight, marine insurance, U.S. brokerage and handling, U.S. Customs duties and user fee, U.S. inland freight from port to unaffiliated customer, U.S. inland insurance and survey fee in both the United States and Trinidad in accordance with section 772(c)(2) of the Act.

Normal Value

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

Cost of Production Analysis

Pursuant to an allegation made by petitioners, we initiated a cost of production investigation in our notice of initiation. *See Notice of Initiation,* 62 FR 13854 (March 24, 1997). Before making any fair value comparisons, we conducted the COP analysis described below.

A. Calculation of COP

We calculated the COP based on the sum of respondent's cost of materials and fabrication for the foreign like product, plus amounts for home market general expenses and packing costs in accordance with section 773(b)(3) of the Act. We have recalculated CIL's general and administrative amounts to include only net foreign exchange losses related to accounts payable . *See* Memorandum to Chris Marsh From Taija Slaughter, September 12, 1997.

B. Test of Home Market Prices

We used the respondent's submitted POI weighted-average COPs, as adjusted (see above). We compared the weighted-average COP figures to home market sales of the foreign like product as required under section 773(b) of the Act. In determining whether to disregard home-market sales made at prices below the COP, we examined whether (1)

within an extended period of time, such sales were made in substantial quantities, and (2) whether such sales were made at prices which permitted the recovery of all costs within a reasonable period of time. On a product-specific basis, we compared the COP to the home market prices, less any applicable movement charges, rebates, discounts, and direct and indirect selling expenses.

C. Results of COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of the respondent'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 the respondent'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. In such cases, 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 and, therefore, we disregarded the below-cost sales. Where all sales of a specific product were at prices below the COP, we disregarded all sales of that product, and calculated NV based on CV, in accordance with section 773(a)(4) of the Act.

D. Calculation of CV

In accordance with section 773(e) of the Act, we calculated CV based on the sum of respondent's cost of materials, fabrication, SG&A, interest expenses and profit. As noted above, we recalculated CIL's general and administrative amounts. In accordance with section 773(e)(2)(A) of the Act, we based SG&A 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.

Price-to-Price Comparisons

For those product comparisons for which there were sales at prices above the COP, we based NV on prices to home market customers. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

We calculated NV based on prices to unaffiliated home market customers. We made deductions for discounts, rebates, and inland freight. In addition, we made circumstance-of-sale adjustments or deductions for credit and warranty, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs.

Currency Conversions

In accordance with section 773(A) of the Act, we made currency conversions based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Verification

As provided in section 782(i) of the Act, we will verify all information relied upon in making our final determination.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all entries of steel wire rod from Trinidad and Tobago, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. Normally, we would instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds the export price, as indicated in the chart below. However, the product under investigation is also subject to a concurrent countervailing duty investigation. Article VI.5 of the General Agreement on Tariffs and Trade (GATT) provides that ''[n]o product * * * shall be subject to both antidumping and countervailing duties to compensate for the same situation of dumping or export subsidization.'' This provision is implemented by section 772(c)(1)(C) of the Act. Since antidumping duties cannot be assessed on the portion of the margin attributed to export subsidies, there is no reason to require a cash deposit or bond for that amount.

The Department has determined in *Preliminary Affirmative Countervailing Duty Determination: Steel Wire Rod from Trinidad and Tobago,* 62 FR 41927 (August 4, 1997), that the product under investigation benefitted from an export subsidy. To obtain the most accurate estimate of the antidumping duty, and to fulfill our international obligations arising under the GATT, we are subtracting, for deposit purposes, the cash deposit rate attributable to the export subsidies found in the countervailing duty investigation. For Caribbean Ispat, Ltd., the attributable rate is 3.45 percent. We are also subtracting from the ''All Others'' rate the cash deposit rate attributable to the export subsidy included in the countervailing duty investigation for the All Others rate, 3.45 percent. Pursuant to Article of 17.4 of the WTO Agreement on Subsidies and Countervailing Measures, in the absence of an affirmative final determination the Department will terminate the suspension of liquidation in the companion countervailing duty investigation of steel wire rod from Trinidad and Tobago, effective December 2, 1997, which is 120 days after the date of publication of that preliminary determination. Accordingly, on December 2, 1997, if the ITC has not yet made an affirmative injury determination in the countervailing duty investigation, the antidumping deposit rate will revert to the full amount calculated in this preliminary determination. These suspension of liquidation instructions will remain in effect until further notice.

Exporter/manufacturer	Weighted-average margin percentage	Bonding percentage
Caribbean Ispat Limited	13.00	9.55
All Others	13.00	9.55

ITC Notification

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

Public Comment

Case briefs or other written comments in at least six copies must be submitted to the Assistant Secretary for Import Administration no later than December 22, 1997, and rebuttal briefs, no later than January 5, 1998. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on January 9, 1998, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should

confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within ten days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to section 733(d) of the Act.

Dated: September 24, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 97–26042 Filed 9–30–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–307–813]

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

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

EFFECTIVE DATE: October 1, 1997.

FOR FURTHER INFORMATION CONTACT: David J. Goldberger or Daniel Manzoni, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–4136 or (202) 482–1121, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (''the Act''), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (''URAA''). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR part 353 (April, 1997). Although the Department's new regulations, codified at 19 CFR 351 (62 FR 27296, May 19, 1997), do not govern this investigation, citations to those regulations are provided, where appropriate, to explain current Departmental practice.

Preliminary Determination

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

Case History

Since the initiation of this investigation on March 18, 1997 (*see Notice of Initiation of Antidumping Duty Investigations: Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Venezuela,* 62 FR 13854, (March 24, 1997), (''*Notice of Initiation*''), the following events have occurred:

On April 14, 1997, the United States International Trade Commission (''ITC'') notified the Department of Commerce (''the Department'') of its affirmative preliminary injury determination in this case.

On April 21, 1997, the Department issued the antidumping duty questionnaire to CVG Siderurgica Del Orinoco C.A. (''Sidor''), the sole exporter of the subject merchandise from Venezuela. The questionnaire is divided into four sections: Section A requests general information concerning Sidor's company corporate structure and business practices, the merchandise under investigation that it sells, and the sales of the merchandise in all of its markets. Sections B and C request home market sales listings and U.S. sales listings, respectively. Section D requests information on the cost of production (''COP'') of the foreign like product and the constructed value (''CV'') of the subject merchandise.

During April and May 1997, the Department received interested party comments regarding modifications to the product characteristic reporting requirements. On May 22, 1997, the Department issued revised product characteristic reporting instructions.

Sidor submitted its questionnaire responses in May and June, 1997. The Department issued supplemental requests for information in June, July, and August, 1997, and received the supplemental responses to these requests in July, August, and September, 1997. Petitioners in this investigation (Connecticut Steel Group, Co-Steel Raritan, GS Industries, Inc., Keystone Steel & Wire Co., North Star Steel Texas, Inc., and Northwestern Steel & Wire Co.) filed comments on Sidor's questionnaire responses in May, June, July, August, and September, 1997.

On July 3, 1997, petitioners made a timely request that the Department postpone the preliminary determination in this investigation and the companion investigations of SWR from Canada, Trinidad and Tobago, and Germany to September 24, 1997. We did so on July 14, 1997, in accordance with section 733(c)(1) of the Act (*see Notice of Postponement of Preliminary Determinations: Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Venezuela* (62 FR 38257, July 17, 1997)).

Postponement of Final Determination and Extension of Provisional Measures

Pursuant to section 735(a)(2)(A) of the Act and section 353.20(b)(1) of the Department's interim regulations, on September 10, 1997, Sidor 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 publication of this notice in the **Federal Register**. In accordance with section 735(a)(2)(A) of the Act, because our preliminary determination is affirmative, the respondent accounting for all of the exports of the subject merchandise has requested postponement, and no compelling reasons for denial exist, we are postponing the final determination. Suspension of liquidation will be extended accordingly (*see Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determinations: Open-End Spun Rayon Singles Yarn From Austria,* 62 FR 14399, 14400 (March 26, 1997); *see also Final Determination of Sales at Less Than Fair Value: Certain Pasta from Italy,* 61 FR 30326 (June 14, 1996)).

Scope of Investigation

The products covered by this investigation are certain hot-rolled carbon steel and alloy steel products, in coils, of approximately round cross section, between 5.00 mm (0.20 inch) and 19.0 mm (0.75 inch), inclusive, in solid cross-sectional diameter. Specifically excluded are steel products possessing the above noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; (e) free machining steel that contains by weight 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.4