Dated: February 23, 1998.

Joseph A. Spetrini,

Deputy Assistant Secretary, For Enforcement III.

[FR Doc. 98–3204 Filed 2–6–98; 8:45 am]

BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

International Trade Administration

[A–583–824]

Polyvinyl Alcohol From Taiwan: 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 by the petitioner, Air Products and Chemicals, Inc., and by two manufacturers/exporters and an importer of subject merchandise, the Department of Commerce is conducting an administrative review of the antidumping duty order on polyvinyl alcohol from Taiwan. The period of review is May 15, 1996, through April 30, 1997.

We have preliminarily found that sales of subject merchandise have been made below normal value. If these preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service to assess antidumping duties based on the difference between the export price or constructed export price and the normal value.

Interested parties are invited to comment on these preliminary results. Parties who submit case briefs in this proceeding should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

EFFECTIVE DATE: February 9, 1998.

FOR FURTHER INFORMATION CONTACT: Everett Kelly, at (202) 482–4194; or Sunkyu Kim, at (202) 482–2613, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, Washington, D.C. 20230.

SUPPLEMENTARY INFORMATION:

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, as amended (''the Act''), by the Uruguay Round Agreements Act (''URAA''). In addition, unless otherwise indicated, all citations to the Department of Commerce's (''the Department's'') regulations are to the provisions codified at 19 CFR Part 353 (April 1997). Where appropriate, references are made to the Department's final regulations at 19 CFR Part 351 (62 FR 27926), as a statement of current departmental practice.

Case History

On May 14, 1996, the Department published in the **Federal Register** an antidumping duty order on polyvinyl alcohol from Taiwan. See 61 FR 24286. On May 2, 1997, the Department published a notice providing an opportunity to request an administrative review of this order for the period May 15, 1996, through April 30, 1997 (62 FR 24081). On May 23, 1997, we received a request for an administrative review from E.I. du Pont de Nemours & Co. (''DuPont''). We received requests for a review from Chang Chun Petrochemical (''Chang Chun'') and Perry Chemical Corporation (''Perry'') on May 30, 1997. The petitioner also requested a review of Chang Chun and Perry on May 30, 1997. We published a notice of initiation of this review on June 19, 1997 (62 FR 33394).

On June 23, 1997, we issued an antidumping questionnaire to the three companies. The Department received responses from Chang Chun, DuPont and Perry in August 1997. We issued supplemental questionnaires to these companies in October 1997. Responses to these questionnaires were received in November 1997.

Although we initiated this review on three respondents, as a result of facts examined during the course of the review, we are now covering only two respondents, Chang Chun and DuPont (see *Treatment of Sales of Tolled Merchandise* section of the notice below).

On October 24, 1997, the petitioner requested that we find DuPont and Perry to be affiliated with Chang Chun. Further, the petitioner argued that for purposes of calculating a dumping margin, DuPont and Perry should be collapsed with Chang Chun. Alternatively, the petitioner argued that if the Department does not collapse DuPont and Perry with Chang Chun, the Department must consider evidence which demonstrates that DuPont's and Perry's sales to their respective third-country markets during the POR were made at prices below the cost of production.

With regard to affiliation, we do not find that either Perry or DuPont is affiliated with Chang Chun (see *Treatment of Sales of Tolled Merchandise* section of the notice below for further discussion.) With respect to the petitioner's allegation of sales below the cost of production against Perry, we note that because the Department has determined that Chang Chun, and not Perry, is the producer of the tolled PVA imported by Perry under the tolling agreement with Chang Chun, the issue of whether Perry's third-country market sale was below its cost of production is moot for purposes of our analysis. With regard to Dupont, based on our analysis of the petitioner's allegation, we determine that there are reasonable grounds to believe or suspect that DuPont sold PVA to Australia at prices which were below COP (see Memorandum from Team to Office Director, dated January 30, 1998). Accordingly, we are incorporating a sales-below-the-cost-of-production analysis for DuPont in our preliminary margin calculation.

Scope of Review

The product covered by this review is polyvinyl alcohol (''PVA''). PVA is a dry, white to cream-colored, water-soluble synthetic polymer. Excluded from this review are PVAs covalently bonded with acetoacetylate, carboxylic acid, or sulfonic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, and PVAs covalently bonded with silane uniformly present on all polymer chains in a concentration equal to or greater than one-tenth of one mole percent. PVA in fiber form is not included in the scope of this review.

The merchandise under review is currently classifiable under subheading 3905.30.00 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope is dispositive.

Treatment of Sales of Tolled Merchandise

DuPont and Perry sold in the U.S. and third-country markets subject merchandise tolled by the Taiwan producer, Chang Chun. Both DuPont and Perry claim that they are the manufacturer of the tolled merchandise under the Department's newly articulated treatment of subcontractors in tolling arrangements. See 19 CFR 353.401(h). Accordingly, each company claims that it is entitled to its own dumping rate.

Under section 351.401(h) of the new regulations, which, although not legally in effect for this administrative review, are, at the time of this request for review, an expression of the Department's practice, the Department will not consider a toller or subcontractor to be a manufacturer or producer where the toller or subcontractor does not acquire ownership of the finished product and does not control the relevant sale of the subject merchandise and the foreign like product. See also Antidumping Duties; Countervailing Duties; Final Rule, 62 FR 27296, 27411 (legally effective only for segments of the proceeding initiated based on requests filed after June 18, 1997, but nevertheless a restatement of the Department's practice).

In determining whether a company that uses a subcontractor in a tolling arrangement is a producer under 351.401(h), we will look at all relevant facts surrounding a tolling agreement.

DuPont claims that under the tolling arrangement with Chang Chun, DuPont is the producer of the PVA at issue. DuPont is a chemical producer. It produces the main input, vinyl acetate monomer (''VAM''), which it then ships to Taiwan. Under contract with Chang Chun, the VAM is then converted into subject merchandise, after which DuPont exports the PVA back to the United States and to third-country markets. DuPont has had a tolling agreement with Chang Chun since prior to the original less-than-fair-value (''LTFV'') investigation of PVA.

Based on this evidence, we determine that DuPont is the manufacturer of the tolled merchandise, and hence the appropriate respondent.

Perry has asserted that it is the producer of the PVA it imported from Taiwan during the period covered by this review, claiming it meets the requirements set out in 351.401(h) of the Department's new regulations. However, based on a review of the facts, we preliminarily determine that the tolling arrangement between Perry and Chang Chun does not transform Perry into the producer of the PVA at issue.

Perry has been an importer and reseller of PVA produced and exported by Chang Chun since 1978. At no time has Perry been in the business of producing or manufacturing PVA or any other chemical. Nor has Perry, prior to the tolling agreement with Chang Chun, been in the business of subcontracting any kind of chemical production or processing. Additionally, Perry does not have any production facilities. (See January 30, 1998, Perry Verification Report at page 8.)

After the conclusion of the LTFV investigation in 1996, when Chang Chun was found to be dumping at an estimated rate of 19.21 percent, Perry decided to pursue a tolling arrangement. Perry then negotiated the tolling agreement with Chang Chun, which resulted in the agreement in effect during this review. Perry began purchasing VAM, the main input in producing PVA, through a U.S. trading company. The trading company, in turn, purchased the VAM from a Taiwan producer of VAM affiliated with Chang Chun, a fact known to Perry. (See Verification Report at page 8.) Thus, both the primary input and the final product are produced by Chang Chun and its affiliate.

Based on these facts, we find that Perry is not the producer of the PVA it imports into the United States. Prior to the tolling agreement, Perry had never, as part of its normal business practice, been engaged in any research and development (''R&D''), production, processing or subcontracting of production. Moreover, there is no evidence that suggests that Perry's decision to enter into a tolling arrangement with Chang Chun was for the purpose of expanding its operations to begin producing PVA or any other chemical. To the contrary, after the tolling agreement, Perry's normal course of conducting business has not substantively changed; it remains for all intents and purposes an importer and reseller. The only change resulting from the tolling arrangement is that now Perry makes two payments to Chang Chun for Chang Chun's PVA—one for the VAM and one for the conversion of VAM into PVA. This minor change in the contractual relationship between Perry and Chang Chun is insufficient to conclude that Perry has moved from reselling to producing.

The facts presented in this review demonstrate that Perry's circumstance is fundamentally different from that of DuPont. While DuPont is a chemical producer in its own right with substantial production and R&D facilities, Perry has no production or R&D facilities. DuPont has had a tolling agreement with Chang Chun for several years before the antidumping duty order on PVA from Taiwan was issued, while Perry entered into its contract with Chang Chun after the LFTV investigation. DuPont produces the VAM which it exports to Taiwan where Chang Chun processes it into PVA in accordance with DuPont's instructions; Perry purchased VAM produced by an affiliate of Chang Chun. Based on these facts, we find that DuPont is the producer of Taiwan PVA, through a subcontract with Chang Chun, and Perry is not a producer of subject merchandise. See Chrome-Plated Lug Nuts From Taiwan, 56 FR 36130, 131 (1991).

Because we have preliminarily determined that Perry is not a producer of PVA, Perry is treated in this review as an importer and reseller. Chang Chun is the producer and original seller. Because Chang Chun had knowledge that the PVA it sold to Perry was for export to the United States, we have determined the export price based on the sale from Chang Chun to Perry. Normal value was determined using Chang Chun's home market price or constructed value.

In considering a request from Perry for a new shipper review, (November 27, 1996), the Department determined that Perry was not a ''new shipper'' because it was affiliated with Chang Chun through its tolling contract. In this review, we have reexamined this issue and have preliminarily determined that neither Perry nor DuPont is affiliated with Chang Chun. The tolling contracts do not establish legal or operational control over Chang Chun within the meaning of section 771(33)(G) of the Act. Rather, the tolling agreements set out contractual obligations under which Chang Chun has agreed to produce PVA for Perry and DuPont at the specified grades in specific quantities at specified times. Such agreements do not grant Perry or DuPont control over the manner in which Chang Chun operates (*e.g.*, Perry and DuPont have no ability to direct or restrain financial or operational decisions such as which suppliers Chang Chun must buy from, prices Chang Chun will charge or what other customers Chang Chun will serve). Therefore, it cannot be said that, based solely on the tolling agreements, Perry or DuPont is affiliated with Chang Chun.

Verification

As provided in Section 782(i) of the Act, we verified information provided by the respondents. We used standard verification procedures, including on-site inspection of the respondents' facilities, the examination of relevant sales and financial records, and selection of original documentation containing relevant information. Based on verification, we made certain changes to the data in the sales listings submitted by the respondents used to calculate the preliminary margins (see Calculation Memorandum to File dated February 2, 1997). Our verification results are outlined in the verification reports placed on file in the Central

Records Unit (CRU) in room B–099 of the Main Commerce Building.

Fair Value Comparisons

To determine whether sales of the subject merchandise by the respondents to the United States were made at below normal value, we compared, where appropriate, the export (''EP'') and constructed export price (''CEP'') to the normal value (''NV'') as described below. In accordance with section 777A(d)(2) of the Act, we compared, where appropriate, the EPs and CEPs of individual transactions to the monthly weighted-average price of sales of the foreign like product.

Export Price and Constructed Export Price

For the price to the United States, we used EP or CEP as defined in sections 772(a) and 772(b) of the Act, as appropriate.

We made company-specific adjustments as follows:

Chang Chun

In accordance with sections 772(a) and (c) of the Act, we calculated an EP for all of Chang Chun's sales, since the merchandise was sold 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 calculated EP based on the packed CIF price to unaffiliated purchasers in, or for exportation to, the United States. We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included domestic inland freight, foreign brokerage and handling, international freight, and marine insurance.

DuPont

We calculated EP for some of DuPont's sales where the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation. We calculated CEP for the remaining sales of merchandise, which were made in the United States after importation.

We based EP and CEP on packed FOB or delivered prices to unaffiliated purchasers in the United States. As appropriate, we made deductions for discounts and rebates. We also made deductions, where appropriate, for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included U.S. brokerage and handling expenses, U.S. Customs duties (which include harbor maintenance and merchandise processing fees), and U.S. inland freight expenses (freight from port to warehouse and freight from warehouse to the customer).

In accordance with section 772(d)(1) of the Act, we deducted from CEP selling expenses associated with DuPont's economic activities occurring in the United States, including direct selling expenses and indirect selling expenses. We also deducted from CEP an amount for profit and further manufacturing costs in accordance with section 772(d)(3) and section 772(d)(2) of the Act.

Normal Value

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared each 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) of the Act. For Chang Chun, we determined that the quantity of foreign like product sold in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States because Chang Chun had sales in its home market which were greater than five percent of its sales in the U.S. market. Therefore, in accordance with section 773(a)(1) of the Act, we based NV on sales in Taiwan.

For DuPont, in accordance with section 773(a)(1) of the Act, and consistent with our practice, we based NV on the prices at which the foreign like products were first sold for consumption in the respondent's largest third-country market (*i.e.,* Australia) because DuPont did not have sales of foreign like product in the exporting country during the POR and because Australia was a viable market with respect to DuPont's sales of PVA.

We made company-specific adjustments as follows:

Chang Chun

We calculated NV based on packed, FOB or delivered prices to unaffiliated purchasers in Taiwan. We made adjustments for differences in packing in accordance with section 773(a)(6)(A) of the Act. We also made adjustments, where appropriate, for movement expenses consistent with section 773(a)(6)(B) of the Act; these included inland freight from plant to customer. In addition, we 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, as well as for differences in circumstances of sale (''COS'') in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. We made COS adjustments by deducting direct selling expenses incurred for home market sales (*i.e.,* credit expenses) and adding U.S. direct selling expenses (*i.e.,* credit expenses and bank charges).

DuPont

We calculated NV based on packed delivered prices to unaffiliated purchasers in Australia. We made adjustments for movement expenses (*i.e.,* brokerage and handling fees) consistent with section 773(a)(6)(B) of the Act. We disallowed DuPont's claim for an inland freight expense from Australian port to warehouse (INLFPWT) because the company failed to provide support documentation for the claimed amount at verification. In addition, we 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, as well as for differences in COS in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. We made COS adjustments by deducting direct selling expenses incurred for third-country market sales and adding U.S. direct selling expenses, where appropriate. Since DuPont was unable to separate packing expenses from its reported tolling costs, we made no adjustment for a difference in packing expenses. As discussed below in the *Level of Trade* section, we allowed a CEP offset for comparisons made at different levels of trade. To calculate the CEP offset, we deducted from NV the third-country market indirect selling expenses, capped by the amount of the indirect selling expenses deducted in calculating the CEP under section 772(d)(1)(D) of the Act.

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 or CEP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value, that of the sales from which we derive selling, general and administrative expenses and profit. For EP, the LOT is also the level of the starting-price sale, which is usually from exporter to 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 EP or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and

the unaffiliated customer. If the comparison-market sales are at a different 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. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). 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).

With respect to Chang Chun, Chang Chun reported one channel of distribution for its U.S. and home market sales. Based on our analysis of the selling functions, we found that the selling activities in both the home market and the United States were not different. Therefore, we have found that sales in both markets are at the same LOT and consequently no LOT adjustment is warranted.

With respect to DuPont, DuPont reported one customer category and one channel of distribution for its third-country market sales. For its sales to the United States, it reported three customer categories and three channels of distribution corresponding to each customer category. Based on our analysis, we found that the three U.S. channels of distribution did not differ with respect to selling activities. Similar services, such as freight and delivery, inventory maintenance and sales support activities, were offered to all or some portion of customers in each channel. Based on this analysis, we find that the three U.S. channels of distribution comprise a single level of trade.

DuPont reported both EP and CEP sales in the U.S. market. We noted that EP sales involved basically the same selling functions associated with the third-country market sales. Therefore, based upon this information, we determined that the level of trade for all EP sales is the same as that of the third-country sales, and thus no LOT adjustment is warranted.

For CEP sales, based on our analysis, after the section 772(d) deductions, we find that there are no selling activities reflected in the CEP price, as the CEP is exclusive of all selling expenses. In contrast, the NV sales prices include the indirect selling expenses attributable to selling activities such as sales support functions. Accordingly, we have concluded that CEP is at a different level of trade from the third-country market level of trade.

We then examined whether a LOT adjustment or CEP offset may be appropriate. In this case, DuPont only sold at one LOT in the third-country market; therefore, there is no information available to determine a LOT adjustment between LOTs with respect to the foreign like product. Further, we do not have information which would allow us to examine pricing patterns based on respondent's sales of other products, and there are no other respondents or other record information on which such an analysis could be based. Accordingly, because the data available do not provide an appropriate basis for making a LOT adjustment, but the LOT in the third-country is at a more advanced stage of distribution than the LOT of the CEP, we made a CEP offset adjustment in accordance with section 773(a)(7)(B) of the Act.

Cost of Production Analysis

As stated above, based on a timely allegation filed by the petitioner, the Department initiated a cost of production investigation of DuPont to determine whether sales were made at prices below the COP. For Chang Chun, because we disregarded sales below the COP in the last completed segment of the proceeding (*i.e.,* the less-than-fair-value investigation), we had reasonable grounds to believe or suspect that sales of the foreign product under consideration for the determination of NV in this review may have been made at prices below the COP, as provided by section 773(b)(2)(A)(ii) of the Act. Therefore, pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of sales by Chang Chun in the home market.

We conducted the COP analysis described below.

A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP, by grade, based on the sum of the cost of materials, fabrication and general expenses, and packing costs. For Chang Chun, we relied on the submitted COPs.

Chang Chun purchased a major input (*i.e.,* VAM) for PVA from an affiliated party. Section 773(f)(3) of the Act indicates that, if transactions between affiliated parties involve a major input, then the Department may value the major input based on the COP if the cost is greater than the amount (higher of transfer price or market price) that would be determined under section 773(f)(2). Section 773(f)(3) applies if the Department ''has reasonable grounds to believe or suspect that an amount represented as the value of such input is less than the COP of such input.'' The Department generally finds that such ''reasonable grounds'' exist where it has initiated a COP investigation of the subject merchandise.

Because a COP investigation is being conducted in this case, the Department requested in its Section D questionnaire that Chang Chun provide cost of production information for VAM. That cost information was provided by Chang Chun in its Section D response. For purposes of our analysis, we used the per-unit costs as reported by Chang Chun, which included the cost of VAM based on the highest of the transfer price, the market price, or its affiliate's cost of production.

For DuPont, we calculated the weighted-average COP based on the sum of its cost of producing VAM and the tolling fee paid to Chang Chun and SG&A expenses. We recalculated DuPont's general and administrative expenses based on verification findings. See Verification Report at page 18.

B. Test of Home Market and Third-Country Comparison Market Sales Prices

We compared the weighted-average COP for each respondent, adjusted where appropriate, to the comparison 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 within an extended period of time in substantial quantities, and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. On a grade-specific basis, we compared the revised COP to the comparison market prices, less any applicable movement charges, discounts, rebates, commissions and other direct and indirect selling expenses.

C. Results of the COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of a respondent's sales of a given product were made at prices below 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 a respondent's sales of a given product were made at prices below the COP, we disregarded the below-cost sales because such sales were found to be made within an

extended period of time in ''substantial quantities'' in accordance with sections 773(b)(2)(B) and (C) of the Act, and because the below cost sales of the product 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. Where all contemporaneous sales of a specific product were made at prices below the COP, we calculated NV based on CV, in accordance with section 773(a)(4) of the Act.

For both Chang Chun and DuPont, we did not find that comparison market sales of PVA products were made at below COP prices within the POR.

Constructed Value

For DuPont's PVA products for which we could not determine the NV based on comparison market sales because there were no contemporaneous sales of a comparable product, we compared export prices to CV.

On January 8, 1998, the Court of Appeals for the Federal Circuit issued a decision in *Cemex* v. *United States,* 1998 WL 3626 (Fed Cir.). In that case, based on the pre-URAA version of the Act, the Court discussed the appropriateness of using CV as the basis for foreign market value when the Department finds home market sales to be outside the ordinary course of trade. This issue was not raised by any party in this review. However, the URAA amended the definition of sales outside the ''ordinary course of trade'' to include sales below cost. See Section 771(15) of the Act. Because the Court's decision was issued so close to the deadline for completing this preliminary results, we have not had sufficient time to evaluate and apply (if appropriate and if there are adequate facts on the record) the decision to the facts of this post-URAA review. For these reasons, we have determined to continue to apply our policy regarding the use of CV when we have disregarded below-cost sales from the calculation of NV; however, we invite interested parties to comment, in their case briefs, on the applicability of the Cemex decision to this review.

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of the COM of the product sold in the United States, plus amounts for third-country comparison market SG&A expenses, and profit and U.S. packing costs. We calculated CV based on the methodology described in the ''Calculation of COP'' section of this notice, above, plus an amount for profit. In accordance with section 773(e)(2)(A), we used the actual amounts incurred and realized by DuPont in connection with the production and sale of the foreign like product, in the ordinary course of trade, for consumption in the foreign country to calculate SG&A expenses and profit.

For price-to-CV comparisons, we made adjustments to CV in accordance with section 773(a)(8) of the Act and 19 C.F.R. 353.56 for COS differences. For comparisons to EP, we made COS adjustments by deducting direct selling expenses incurred on third-country market sales and adding U.S. direct selling expenses. For comparisons to CEP, we made deductions for direct selling expenses incurred on third-country market sales.

Currency Conversion

For purposes of the preliminary results, we made currency conversions based on the official exchange rates published by the Federal Reserve in effect on the dates of the U.S. sales. Section 773A(a) of the Act directs the Department to use a daily exchange rate in effect on the date of sale of subject merchandise in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a ''fluctuation.'' In accordance with the Department's practice, we have determined as a general matter that a fluctuation exists when the daily exchange rate differs from a benchmark by 2.25 percent (For a detailed explanation, see Policy Bulletin 96–1: Currency Conversions, 61 FR 9434, March 8, 1996). The benchmark is defined as the rolling average of rates for the past 40 business days. When we determine that a fluctuation exists, we substitute the benchmark for the daily rate.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following margin exists for the period May 15, 1996, through April 30, 1997:

Manufacturer/exporter	Margin (percent)
Chang Chun Petrochemical Corporation	0.55
E.I. du Pont de Nemours & Co	.54
Perry Chemical Corporation *.	

*We did not calculate a dumping margin for Perry because we preliminarily determined that Perry is not the producer of subject merchandise it imported into the United States during the POR (see *Treatment of Sales of Tolled Merchandise* section of the notice above).

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.

Issues raised in hearings will be limited to those raised in the respective case briefs and rebuttal briefs. Case briefs from interested parties and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted not later than 30 days and 37 days, respectively, from the date of publication of these preliminary results. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

The Department will subsequently issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

The Department shall determine and the Customs Service shall assess antidumping duties on all appropriate entries. The Department will issue appropriate appraisement instructions directly to the Customs Service upon completion of this review. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties. For Chang Chun, for duty assessment purposes, we calculated an importer-specific assessment rate by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total value of subject merchandise entered during the POR for each importer. In order to estimate the entered value, we subtracted international movement expenses from the gross sales value. For DuPont, we calculated an assessment rate by aggregating the dumping margins calculated for all U.S. sales and dividing this amount by the total value of subject merchandise entered during the POR.

Furthermore, the following deposit requirements will be effective upon publication of the final results of this antidumping duty review for all shipments of PVA from Taiwan, 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 rates for the reviewed companies will be those established in the final results of this review; (2) for exporters not covered in this review, but covered in the LTFV investigation or prior reviews, the cash deposit rate will continue to be the company-specific rate from the LTFV investigation or the prior review; (3) if the exporter is not a firm

covered in this review, a prior 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; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 19.21 percent, the ''All Others'' rate made effective by the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

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.

This administrative review and notice are in accordance with sections 751(a)(1) of the Act and 19 CFR 353.22(5).

Dated: February 2, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–3210 Filed 2–6–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–601]

Tapered Roller Bearings, and Parts Thereof From the People's Republic of China: Notice of Extension of Time Limit for Administrative Review

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

ACTION: Notice of extension of time limit.

SUMMARY: The Department of Commerce is extending the time limit for the preliminary results of the tenth review of the antidumping order on tapered roller bearings from the People's Republic of China. The period of review is June 1, 1996 to May 31, 1997. This extension is made pursuant to Section 751(a)(3)(A) of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act.

EFFECTIVE DATE: February 9, 1998.

FOR FURTHER INFORMATION CONTACT: Jennifer Yeske or Craig Matney, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482–0189 or (202) 482–0588, respectively.

SUPPLEMENTAL INFORMATION: Because it is not practicable to complete this review within the original time limit mandated by section 751(a)(3)(A) of the Tariff Act of 1930, as amended (*i.e.*, March 2, 1998), the Department of Commerce (the Department) is extending the time limit for completion of the preliminary determination until June 30, 1998. See January 26, 1998 Memorandum from Deputy Assistant Secretary for AD/CVD Enforcement Richard W. Moreland to Assistant Secretary for Import Administration Robert S. LaRussa on file in the public file of the Central Records Unit, B–099 of the Department. This extension also applies to the new shipper review of this case which is aligned with this administrative review (see 62 FR 43514).

Dated: February 3, 1998.

Richard W. Moreland,

Deputy Assistant Secretary for AD/CVD Enforcement.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–502]

Certain Welded Carbon Steel Standard Pipes and Tubes From India; 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 interested parties, the Department of Commerce is conducting an administrative review of the antidumping duty order on certain welded carbon steel standard pipes and tubes from India. The review covers two manufacturers/exporters of the subject merchandise. The period of review is May 1, 1996, through April 30, 1997.

We have preliminarily determined that sales have been made below normal value. If these preliminary results are adopted in the final results of this administrative review, we will instruct the Customs Service to assess antidumping duties based on the difference between the constructed export price and normal value.

Interested parties are invited to comment on these preliminary results. Parties that submit case briefs in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: February 9, 1998.

FOR FURTHER INFORMATION CONTACT: Davina Hashmi at (202) 482–5760 or Robin Gray at (202) 482–4023, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C. 20230.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Tariff Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations, codified at 19 CFR Part 353 (April 1997).

Background

On May 2, 1997, the Department of Commerce (the Department) published in the **Federal Register** an opportunity to request an administrative review of this antidumping duty order for the period May 1, 1996, through April 30, 1997. See 62 FR 24082. On May 30, 1997, we received a timely request for review from a respondent, Rajinder Pipes Ltd. On May 30, 1997, the Department also received from the petitioners, the Wheatland Tube Company, Allied Tube and Conduit, and the Laclede Steel Company, a timely request for review of both Rajinder and Lloyd's Metals & Engineers Ltd. On June 19, 1997, we initiated this administrative review.

Scope of Review

The products covered by this review include circular welded non-alloy steel pipes and tubes, of circular cross-section, with an outside diameter of 0.372 inch or more but not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled). These pipes and tubes are