examiner's report, and finds that the requirements of the Act and the Board's regulations are satisfied and that approval of the application is in the public interest;

Now, therefore, the Board hereby grants to the Grantee the privilege of establishing a foreign-trade zone, designated on the records of the Board as Foreign-Trade Zone No. 228, at the sites described in the application, subject to the Act and the Board's regulations, including Section 400.28.

Signed at Washington, DC, this 13th day of February 1998.

Foreign-Trade Zones Board.

William M. Daley,

Secretary of Commerce, Chairman and Executive Officer.

Attest:

Dennis Puccinelli,

Acting Executive Secretary.

[FR Doc. 98–4691 Filed 2–23–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Order No. 954]

Grant of Authority; Establishment of a Foreign-Trade Zone, Charleston, West Virginia

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a–81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, by an Act of Congress approved June 18, 1934, an Act ''To provide for the establishment of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes,'' as amended (19 U.S.C. 81a–81u) (the Act), the Foreign-Trade Zones Board (the Board) is authorized to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs ports of entry;

Whereas, the West Virginia Economic Development Authority (the Grantee), a West Virginia public corporation, has made application to the Board (FTZ Docket 61–97, 62 FR 40332, 7/28/97), requesting the establishment of a foreign-trade zone at a site in Charleston, West Virginia, within the Charleston Customs port of entry;

Whereas, notice inviting public comment has been given in the **Federal Register**; and,

Whereas, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the Act and the Board's regulations are satisfied and that approval of the application is in the public interest;

Now, therefore, the Board hereby grants to the Grantee the privilege of establishing a foreign-trade zone, designated on the records of the Board as Foreign-Trade Zone No. 229, at the sites described in the application, subject to the Act and the Board's regulations.

Signed at Washington, DC, this 13th day of February 1998.

Foreign-Trade Zones Board.

William M. Daley,

Secretary of Commerce, Chairman and Executive Officer.

Attest:

Dennis Puccinelli,

Acting Executive Secretary.

[FR Doc. 98–4692 Filed 2–23–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Order No. 955]

Grant of Authority for Subzone Status; Toyota Motor Manufacturing West Virginia, Inc. (Automobile Engines), Buffalo, West Virginia

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a–81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, by an Act of Congress approved June 18, 1934, an Act ''To provide for the establishment * * * of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes,'' as amended (19 U.S.C. 81a–81u) (the FTZ Act), the Foreign-Trade Zones Board (the Board) is authorized to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs ports of entry;

Whereas, the Board's regulations (15 CFR Part 400) provide for the establishment of special-purpose subzones when existing zone facilities cannot serve the specific use involved;

Whereas, an application from the West Virginia Economic Development Authority, grantee of FTZ 229, for authority to establish special-purpose subzone status for the automobile engine manufacturing plant of Toyota Motor Manufacturing West Virginia, Inc., in Buffalo, West Virginia, was filed by the Board on July 22, 1997, and notice inviting public comment was given in the **Federal Register** (FTZ Docket 62–97, 62 FR 40333, 7–28–97); and,

Whereas, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the FTZ Act and Board's regulations are satisfied, and that approval of the application is in the public interest;

Now, therefore, the Board hereby grants authority for subzone status at the Toyota Motor Manufacturing West Virginia, Inc., plant in Buffalo, West Virginia (Subzone 229A), at the location described in the application, subject to the FTZ Act and the Board's regulations, including § 400.28.

Signed at Washington, DC, this 13th day of February 1998.

Foreign-Trade Zones Board.

William M. Daley,

Secretary of Commerce, Chairman and Executive Officer.

Attest:

Dennis Puccinelli,

Acting Executive Secretary.

[FR Doc. 98–4693 Filed 2–23–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–274–802]

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

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

ACTION: Notice of final determination of sales at less than fair value.

EFFECTIVE DATE: February 24, 1998.

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 and Regulations

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.

Final Determination

We 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 735 of the Act.

Case History

Since the preliminary determination in this investigation (*Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Steel Wire Rod from Trinidad & Tobago*), 62 FR 51581 (October 1, 1997) (''SWR''), the following events have occurred:

In November 1997, we conducted a verification of the respondent's questionnaire responses. On December 15, 1997, the Department issued its reports on verification findings for Caribbean Ispat, Ltd. (CIL). On December 29, 1997, respondents submitted new computer sales listings which included only data corrections identified through verification. Petitioners and respondents submitted case briefs on December 22, 1997, and rebuttal briefs on January 5, 1998. A public hearing was not held as there were no requests for a hearing.

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.''
- Coiled products 11 mm to 12.5 mm in 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 0.72 percent; manganese 0.50–1.10 percent; phosphorus less than or equal to 0.030 percent; sulfur less than or equal to 0.035 percent; and silicon 0.10–0.35 percent. This product is free of injurious piping and undue segregation. The use of this excluded product is to fulfill contracts for the sale of Class III pipe wrap wire in conformity with ASTM specification A648–95 and imports of this product must be accompanied by such a declaration on the mill certificate and/or sales invoice. This excluded product is commonly referred to as ''Semifinished Class III Pipe Wrap Wire.''

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.

Exclusion of Pipe Wrap Wire

As stated in the Notice of Preliminary Determination, North American Wire Products Corporation (''NAW''), an importer of the subject merchandise from Germany, requested that the Department exclude steel wire rod used to manufacture Class III pipe wrapping wire from the scope of the investigation of steel wire rod from Canada, Germany, Trinidad and Tobago, and Venezuela. On December 22, 1997, NAW submitted to the Department a proposed exclusion definition. On December 30, 1997 and January 7, 1998, the petitioners submitted letters concurring with the definition of the scope exclusion and requesting exclusion of this product from the scope of the investigation. We have reviewed NAW's request and petitioners' comments and have excluded steel wire rod for manufacturing Class III pipe wrapping wire from the scope of this investigation (*see,* Memorandum to Richard W. Moreland dated January 9, 1998 and instructions to Customs dated February 3, 1998).

Period of Investigation

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

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., Certain Cold-Rolled Carbon Steel Flat Products from the Netherlands; Final Results of Antidumping Duty Administrative Review,* 61 FR 48465, (September 13, 1996).

On January 8, 1998, the Court of Appeals of the Federal Circuit issued a decision in *Cemex, S.A.* v. *United States,* No. 97–1151, 1998 WL 3626 (Fed. Cir. Jan. 8, 1998). In that case,

based on the pre-URAA version of the Act, the Court discussed the appropriateness of using constructed value (''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 proceeding. However, the URAA amended the definition of sales outside the ''ordinary course of trade'' to include sales disregarded as below cost. *See* section 771(15) of the Act. Because the Court's decision was issued so close to the deadline for completing this administrative review, 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'' case. 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.

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. 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 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. *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).

Neither CIL nor petitioners commented on our preliminary level of trade analysis. Furthermore, our verification findings were consistent with our preliminary level of trade analysis. Therefore, consistent with our findings in the preliminary determination, for this final determination we have continued to treat all of CIL's home market and U.S. sales as being at a single level of trade and we have made no level of trade adjustment when matching its U.S. sales to home market sales.

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 fees, U.S. inland freight from port to unaffiliated customer, U.S. inland insurance, dock handling and survey fees in both the United States and Trinidad in accordance with section 772(c)(2) of the Act.

We corrected the CIL's data for certain errors and omissions found at verification and submitted to the Department.

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 petitioner, we initiated a cost of production investigation in our notice of initiation (62 FR 13854 March 24, 1997). Before making any fair value comparisons, we conducted the COP analysis described below.

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 relied on the submitted COP data, except in the following instances where the costs were not appropriately quantified or valued:

1. We revised the reported general and administrative expense (''G&A'') rate to include only net foreign exchange losses related to accounts payable. See comment 4.

2. We used CIL's COP/CV files which assign the cost of purchased billets to specific control numbers. See comment 5.

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) 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.

Results of COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of 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 a 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,'' and within an extended period of time in accordance with section 773(b)(2)(B) of the Act. Where we determined that such sales were also 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, 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.

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, U.S. packing costs, interest expenses and profit. As noted above, we assigned the cost of purchased billets to specific control numbers and recalculated Ispat's general and administrative expense amount. 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, mark-up by affiliated parties, and warranty, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs.

Currency Conversion

For purposes of the preliminary determination, we made currency conversions using the official daily exchange rate in effect on the date of the U.S. sales. The Department's preferred source for daily exchange rates is the Federal Reserve Bank. However, the Federal Reserve Bank does not track or publish exchange rates for Trinidad currency. Therefore, we made currency conversions based on the daily exchange rates from the Dow Jones Business Information Service, as published in the Wall Street Journal. This is consistent with the Department's practice. *See, i.e., Final Affirmative Countervailing Duty Determination on Steel Wire Rod From Trinidad and Tobago,* (FR cite).

Verification

As provided in section 782 (i) of the Act, we conducted a verification of the information submitted by CIL for use in our final determination. We used standard verification procedures, including examination of relevant accounting and sales/production records and original source documents provided by respondents.

Interest Party Comments

Comment 1: Composite Coils

CIL argues that the Department incorrectly treated its sales of composite coil as sales of secondary merchandise rather than prime merchandise. CIL states that a composite coil consists of smaller sections of prime merchandise, which are physically banded together to produce a full coil of prime merchandise. CIL argues that ''[Fo]ot for foot, composite coil is prime merchandise'' (CIL Case Brief at 2) because it shares the identical physical characteristics as prime merchandise. Further, CIL maintains, petitioners have not introduced any evidence that the physical characteristics of composite coils make it a second quality product.

CIL notes that petitioner's argument that the Department should classify sales of composite coils as secondary merchandise on the basis of price alone is contrary to section 1677(16)(A) of the Act, which states that the preferred ''foreign like product'' is the merchandise ''identical in physical characteristics'' with the subject merchandise (CIL Case Brief at 3). CIL concludes, therefore, that the Department must consider its sales of composite coils to be sales of prime merchandise.

Petitioners urge the Department to uphold its preliminary determination to treat composite coil sales as non-prime merchandise sales, arguing that (1) the physical characteristics of composite coils are different from prime merchandise, (2) composite coils are much more difficult for wire drawers to process because they are not one continuous piece of wire rod, and (3) therefore, composite coils are priced lower than prime coils because they are less desirable to customers, and not, as CIL contends, because of competitive pressures in the home market. Petitioners assert that the very definition of a composite coil points to the most significant physical difference between it and prime merchandise, the fact that there are one or more breaks in the coil which renders it much more difficult to process and hence less desirable to customers. Petitioners conclude by rebutting CIL's allegation that the Department has based its preliminary finding that composite coils are not prime merchandise only based on price differences. Petitioners state that ''* * * the Department is using the unquestionable physical difference between composite coils and prime merchandise as a matching criterion, not price'' (CIL Case Brief at 3).

DOC Position

We agree with CIL. Section 771(16) of the Act directs the Department to compare sales of home market merchandise which are ''such or similar'' to merchandise sold in the United States. In accordance with section 771(16)(A), the Department first identifies and compares that merchandise which is ''identical'' in terms of physical characteristics, followed by sales of merchandise which is most ''similar'' in physical characteristics. To make these determinations, the Department devises a hierarchy of commercially meaningful characteristics suitable to each class or kind of merchandise. The Department considers merchandise to be identical within the meaning of section 771(16)(A) when all the relevant characteristics match. Composite coils were verified as identical in every way to prime merchandise within each CONNUM (*see* CIL Sales Verification) (Dec. 15, 1997), within the meaning of the statute and the Department's product matching hierarchy. In addition, composite coils are purchased and used by customers as prime merchandise, are used to fill orders of prime merchandise sold, and are used in the same applications as continuous coils. Therefore, as there is no basis for considering them as secondary merchandise, the Department has revised these final results to treat composite coils as prime merchandise.

Comment 2: U.S. Commissions

CIL claims that we made an improper adjustment to the U.S. price, by deducting the mark-up retained by its affiliated parties from the U.S. price. CIL further states that for the U.S. price calculation, in the case of EP sales, the Department should not deduct any selling expenses, direct or indirect, but can adjust normal value to reflect differences in direct selling expenses incurred on U.S. and home market sales through a ''circumstance of sale adjustment''. Furthermore, CIL argues that the mark-up retained by its U.S. affiliates is irrelevant to the dumping calculation, since it represents revenue to the overall Ispat group, not an expense.

Petitioners argue that this mark-up is commission incurred only on certain U.S. sales, but not in the home market. In addition, petitioners argued that (1) the Department policy is to adjust for commissions to affiliates or employees on EP sales, and (2) the regulations

permit circumstance of sale adjustments for direct selling expenses.

DOC Position

We disagree with both CIL and petitioners, in part. We disagree with CIL that the Department made an improper adjustment to U.S. price based on the mark-up retained by CIL's U.S. sales affiliates. The program log which was disclosed to all parties at disclosure clearly indicates that no such adjustment relating to this mark-up was made to U.S. price, and CIL's price calculation sheets for U.S. sales (*see, i.e.* Sales Analysis Memo) (Sept. 24, 1997) clearly demonstrate that this mark-up is incorporated into the gross unit price reported to the Department (See, *i.e.*, CIL Verification Exhibit 7).

We disagree with petitioners that this mark-up is a commission warranting a circumstance of sale adjustment, because the Department applies a two-pronged test to determine whether an adjustment for related party commissions is appropriate. First, we determine if the commissions are directly related to specific sales and, secondly, we determine whether the commissions are at arm's length (*See Final Results of Antidumping Duty Administrative Review; Certain Welded Carbons Steel Standard Pipes and Tubes from India*, 57 FR 54360 (Nov. 18, 1992). Even though the facts on the record support the allegation that this mark-up is directly related to specific sales, they do not demonstrate that it is at arm's length. Since the preliminary determination, we have reconsidered this issue. The Department's current practice, as well as the stated preference in the finalized regulations, is to use actual expenses incurred by U.S. affiliates. *See* 19 CFR 351.402; and *e.g. Granular Polytetrafluoroethylene Resin from Italy*, 62 Fed. Reg. 48592, 48593 (September 16, 1997) (Comment 2). The reported expenses incurred by CIL's U.S. affiliate are indirect expenses. Thus, a circumstance of sale adjustment pursuant to section 353.56(a) of the Department's regulations is not warranted.

Comment 3: Applicable Exchange Rates

CIL contends that in absence of official Trinidad dollar to U.S. dollar exchange rates from the Federal Reserve Bank, the Department should use the publicly available published rates from the Central Bank of Trinidad and Tobago (''Bank''). CIL argues that these rates are more appropriate than the (Dow Jones rates) rates the Department used in the preliminary determination because the difference between the Bank rates and the preliminary determination rates is significant, and the Bank rates are more reasonable and reflective of commercial reality in Trinidad during the POI. CIL asserts that these rates do not represent ''new factual information'' in the context of the Department's regulations because exchange rates are not provided by respondents, but rather are obtained independently by the Department from publicly availably sources.

Petitioners argue that CIL's proposition to use the Bank exchange rates should be rejected because (1) the Bank's exchange rates constitute new factual information, and (2) CIL's argument that the Bank's rates are more reflective of commercial reality is predicated on an analysis of only two weeks of data, which is an insufficient sample to determine any significant difference between the two rates during the POI.

DOC Position

The Department's normal practice is to use exchange rates provided by the Federal Reserve Bank. When the Federal Reserve does not provide exchange rates, as in the case of Trinidad, a reasonable alternative is to use rates from the Dow Jones Business Information Services (*see Final Determination of Sales at Less Than Fair Value: Certain Steel Concrete Reinforcing Bars From Turkey*, 62 FR 9737 (March 4, 1997), and *Ferrosilicon From Brazil; Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 20793 (May 8, 1996)). The Dow Jones is a well established, reliable source of commercially available exchange rates. Thus it is reasonable to use these rates for this final determination. Furthermore, Ispat provided no evidence that the Bank rate was available to Ispat, or that Ispat used this rate during the POI. For all of these reasons, the Department is continuing to utilize Dow Jones exchange rates for this final determination.

Comment 4: Exchange Gains and Losses

CIL argues that the Department's policy to include exchange gains and losses arising from the purchase of production inputs, but exclude gains and losses arising from other foreign currency denominated accounts, fails to reflect normal commercial business practices. CIL argues that the Department calculated a nonexistent cost by recognizing a foreign exchange loss on purchases transactions (accounts payable), but disregarding foreign exchange gains on sales transactions (cash and accounts receivable). CIL states that in normal financial practices, corporate treasurers do not manage specific accounts, but instead manage the net exposed position of the corporation. For example, if a corporation is holding an accounts receivable (or cash) balance and an accounts payable balance in the same currency maturing on approximately the same date, the treasurer will consider the company hedged. Under these circumstances any change in relative currency values will be offset with no cost to the corporation. CIL claims that this situation is in fact what happened within their organization during the POI.

CIL explains that the Act requires the Department to use the exchange rate prevailing on the date of the sales transaction to convert foreign currency amounts to U.S. dollars, and any exchange gain or loss incurred when the actual payment is received is ignored. CIL argues that the Department uses the exchange rate as of the date of the sales transaction because the Department does not expect the producer to adjust its sales prices for unforeseeable future favorable or unfavorable exchange rate fluctuations. The Department's current policy for purchase transactions, however, assumes that a producer can foresee favorable or unfavorable exchange rate fluctuations, and can adjust sales prices accordingly. CIL argues that to ensure nonexistent (due to hedging) or unforeseeable (due to exchange rate fluctuations) costs are not included in the cost of production, the Department should either totally ignore the exchange gains and losses (regardless of whether they arise from purchase or sales transactions) or offset the exchange losses from purchase transactions with the exchange gain on sales transactions.

Petitioners argue that the Department should follow its longstanding practice as outlined in Circular Welded Non-Alloy Steel Pipe and Tube from Mexico, (62 FR 37014, 37026, July 10, 1997) (Final Results of the Administrative Review), where the Department did not include exchange gains and losses on accounts receivables, because these gains and losses relate to selling activities rather than production costs. Petitioners state that the Department should not alter its longstanding policy and should continue to ignore exchange gains and losses on accounts receivables, as it did in the preliminary determination.

DOC Position

We agree with the petitioner that foreign exchange gains and losses arising from sales transactions should not be included in CIL's COP and CV. It is the Department's normal practice to

distinguish between exchange gains and losses from sales transactions and exchange gains and losses from purchase transactions. *See, e.g.*, Circular Welded Non-Alloy Steel Pipe and Tube from Mexico, 62 FR 37014, 37026 (July 10, 1997) (Final Results of the Administrative Review, Comment 31). The Department normally includes in its calculation of COP and CV foreign exchange gains and losses resulting from transactions related to a company's manufacturing operations (*e.g.*, purchases of inputs). *See, e.g., Final Determination of Sales Less Than Fair Value: Polyethylene Tenephthalate Film, Sheet, and Ship From the Republic of Korea,* 56 FR 16305, 16313 (April 22, 1991) (comment 16). We do not consider foreign exchange gains and losses arising from sales transactions to relate to manufacturing activities of a company. Accordingly, for the final determination we included in COP and CV exchange gains and losses arising from purchase transactions (accounts payable), but disallowed exchange gains and losses arising from sales transactions.

Comment 5: Purchased Billet Costs

CIL argues that the Department should not specifically assign the cost of purchased billets to the specific CONNUMs produced from these billets. Instead, CIL maintains that the Department should allocate the cost of the purchased billets over all of CIL's production of subject merchandise. CIL claims that assigning the cost of purchased billets to the specific CONNUM distorts CIL's actual cost of production. CIL states that the company could have produced the purchased billet internally. The decision of which types of billets to purchase, however, was discretionary and driven by revenue and cost considerations, not by the type of billet.

CIL further claims that the purchase of billets is a departure from the company's normal course of business, in which it internally produces all billets. CIL states that, consistent with section 773(f)(1)(B) of the Act, its purchase of billets was a type of nonrecurring cost that benefitted the company's current production. Thus, according to CIL, the Department should adjust costs such that purchased billets are spread across all production.

Petitioners contend that whenever the Department is able to do so, it should assign costs only to those specific products whose production incurred such costs. Petitioners state that because the costs for purchased billets can be directly tied to specific CONNUMs, the most accurate method of calculating COP is to allocate purchased billet costs to the specific CONNUMs they were used to produce.

DOC Position

We agree with petitioners that the costs incurred for purchased billets should be charged directly to the products produced from these same billets. In fact, in this case, to do otherwise would not result in a product-specific cost since the record clearly demonstrates which products were manufactured by CIL from purchased billets.

With respect to CIL's characterization of purchased billets as a nonrecurring cost, we consider the company's reliance upon section 773(f)(1)(B) of the Act to be misplaced (19 U.S.C. 1677(f)(1)(B)). The billets at issue were purchased as direct material inputs used in the production of specific steel rod products. The statute, on the other hand, envisions nonrecurring costs as indirect costs that, by their nature, can be shown to benefit current or future production and, thus, should be systematically allocated to those products benefitted. As an example of such nonrecurring costs, the Statement of Administration Action (SAA), at page 835, cites preproduction research and development costs. Such costs may be demonstrated to provide a clear but indirect benefit to future production. In that regard, they differ markedly from the cost of purchased billets at issue here since the billets are simply a direct material input for a specific type of finished steel rod.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to continue 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**. The Customs Service will require a cash deposit or posting of a bond equal to the estimated duty margins by which the normal value exceeds the expert price, as shown below. These suspension of liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Manufacturer/producer/exporter	Weighted-average percentage margin
CIL	11.85
All other	11.85

ITC Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury, or threat of material injury, does not exist, the proceedings will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue antidumping duty orders directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

This determination is published pursuant to section 735(d) of the Act.

Dated: February 13, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–4695 Filed 2–23–98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–826]

Notice of Final Determination of Sales at Less Than Fair Value: Steel Wire Rod From Canada

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

ACTION: Notice of Final Determination of Sales at Less Than Fair Value.

EFFECTIVE DATE: February 24, 1998.

FOR FURTHER INFORMATION CONTACT: Alexander Braier at 202/482–3818, Lisette Lach 202/482–0190, Cindy Sonmez 202/482–0961 or Dorothy Woster at 202/482–3362, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930 (''the Act'') as amended, 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