

average dumping margins determined for the exporters and producers individually investigated. This provision contemplates that we weight average the facts-available margins to establish the all-others rate. Where the data is not available to weight average the facts-available rates, the SAA, at 873, provides that we may use other reasonable methods.

Inasmuch as we do not have the data necessary to weight average the respondents' facts available margins, we are basing the all-others rate on a simple average of the margins in the petition (as adjusted by the Department). As a result the all-others rate is 19.45 percent.

### Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the amount by which the NV exceeds the export price, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The dumping margins are as follows:

Exporter/manufacturer	Margin percentage
Krupp Edelstahl profile GmbH, Krupp Hoesch Steel Products .....	21.28
BGH Edelstahl Freital GmbH	21.28
All-Others .....	19.45

The all-others rate, which we derived from the average of the margins calculated in the petition, applies to all entries of subject merchandise other than those exported by the named respondents.

### 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 ten copies must be submitted to the Assistant Secretary for Import Administration no later than April 9, 1998, and rebuttal briefs, no later than

April 16, 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 April 20, 1998, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 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 thirty 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 not later than May 11, 1998.

This determination is published pursuant to section 777(i) of the Act.

Dated: February 25, 1998.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 98-5602 Filed 3-4-98; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-469-807]

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

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

**EFFECTIVE DATE:** March 5, 1998.

**FOR FURTHER INFORMATION CONTACT:** Howard Smith or Alexander Amdur, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5193 or (202) 482-5346, 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 to the regulations at 19 CFR part 351 (May 19, 1997).

### Preliminary Determination

We preliminarily determine that stainless steel wire rod (SSWR) from Spain 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 of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

### Case History

Since the initiation of this investigation (*Notice of Initiation of Antidumping Investigations: Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, 62 FR 45224 (August 26, 1997) (*Notice of Initiation*)), the following events have occurred:

In August 1997, the Department issued a cable to the U.S. Embassy in Spain requesting information identifying potential Spanish producers and/or exporters of the subject merchandise to the United States. We did not receive a response from the U.S. Embassy in Spain. However, based on the petition, wherein Roldan, S.A., (Roldan) was the only producer and/or exporter identified, on September 19, 1997, the Department issued an antidumping questionnaire to Roldan.

Also in September 1997, the United States International Trade Commission (ITC) issued an affirmative preliminary injury determination in this case (see ITC Investigation No. 731-TA-773).

In October 1997, the Department received Roldan's response to Section A of the questionnaire. Roldan submitted its response to Sections B, C, and D of the questionnaire in November 1997.

On October 10, 1997, the petitioners in this case (*i.e.*, AL Tech Specialty Steel Corp., Carpenter Technology Corp., Republic Engineered Steels, Talley Metals Technology, Inc., and United Steelworkers of America) requested that the Department revise its questionnaire to obtain information on the actual nickel, chromium, and molybdenum content for each sale of the SSWR made during the period of investigation (POI). On October 21, 1997, Roldan requested that the

Department deny the petitioners' request. The Department, upon consideration of the comments from all parties on this matter, issued a memorandum on December 18, 1997, indicating its decision to make no changes in the model-matching criteria specified in the September 19, 1997, questionnaire (see Memorandum from Team to Holly Kuga, Office Director, dated December 18, 1997).

On December 11, 1997, pursuant to section 733(c)(1)(A) of the Act, the petitioners made a timely request to postpone the preliminary determination. We granted this request and, on December 16, 1997, we postponed the preliminary determination until no later than February 25, 1998 (62 FR 66849, December 22, 1997).

We issued supplemental sections A, B, C, and D questionnaires to Roldan in December 1997 and received responses to these questionnaires in January 1998. We issued an additional supplemental section D questionnaire on February 4, 1998 and received responses to this questionnaire on February 9, and 13, 1998. Due to time constraints, we have not used the sales data that was included in Roldan's February 13, 1998 response. However, we will consider this information for the final determination. Finally, on February 6, and 10, 1998, the petitioners submitted their comments on Roldan's responses

and on issues they considered relevant to the preliminary determination.

**Postponement of Final Determination and Extension of Provisional Measures**

Pursuant to section 735(a)(2) of the Act, on February 20, 1998, Roldan requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until no later than 135 days after the publication of this notice in the **Federal Register**. The respondent also requested that the Department extend provisional measures from a four-month period to not more than six months pursuant to 19 CFR 351.210(e)(2). In accordance with 19 CFR 351.210(b)(2), because (1) our preliminary determination is affirmative, (2) Roldan accounts for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting Roldan's request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register**. Suspension of liquidation will be extended accordingly. See *Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: 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**

For purposes of this investigation, SSWR comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime, or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar.

The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of the investigation. The chemical makeup for the excluded grades is as follows:

**SF20T**

Carbon .....	0.05 max .....	Chromium .....	19.00/21.00.
Manganese .....	2.00 max .....	Molybdenum .....	1.50/2.50.
Phosphorous .....	0.05 max .....	Lead .....	added (0.10/0.30).
Sulfur .....	0.15 max .....	Tellurium .....	added (0.03 min).
Silicon .....	1.00 max .....		

**K-M35FL**

Carbon .....	0.015 max .....	Nickel .....	0.30 max.
Silicon .....	0.70/1.00 .....	Chromium .....	12.50/14.00.
Manganese .....	0.40 max .....	Lead .....	0.10/0.30.
Phosphorous .....	0.04 max .....	Aluminum .....	0.20/0.35.
Sulfur .....	0.03 max .....		

The products under investigation are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

**Period of Investigation**

The POI is July 1, 1996, through June 30, 1997.

**Fair Value Comparisons**

To determine whether sales of SSWR from Spain to the United States were made at less than fair value, we compared the Constructed Export Price (CEP) to the Normal Value (NV), as described in the "Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average CEPs for comparison to weighted-average NVs.

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 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 below cost. See Section

771(15) of the Act. Consequently, the Department has reconsidered its practice in accordance with this court decision and has determined that it would be inappropriate to resort directly to CV, in lieu of foreign market sales, as the basis for NV if the Department finds foreign market sales of merchandise identical or most similar to that sold in the United States to be outside the "ordinary course of trade." Instead, the Department will use sales of similar merchandise, if such sales exist. The Department will use CV as the basis for NV only when there are no above-cost sales that are otherwise suitable for comparison. Therefore, in this proceeding, when making comparisons in accordance with section 771(16) of the Act, we considered all products sold in the home market as described in the "Scope of Investigation" section of this notice, above, that were in the ordinary course of trade, for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales of identical merchandise in the home market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade, based on the characteristics listed in Sections B and C of our antidumping questionnaire. We have implemented the Court's decision in this case, to the extent that the data on the record permitted.

With respect to the characteristics used to make product comparisons, the Department's questionnaire instructed the respondent to report the grades of SSWR products it sold during the POI in accordance with AISI standards. While Roldan reported most of its sales of SSWR in accordance with AISI standards, certain sales were reported with non-AISI (or internal) grades in accordance with its sales accounting system. Therefore, in instances where Roldan has reported a non-AISI grade (or an internal grade code) for a product that falls within a single AISI category, we have used the actual AISI grade rather than the non-AISI grades reported by Roldan for purposes of our analysis. However, in instances where the chemical content ranges of reported non-AISI (or an internal grade code) grades are outside the parameters of an AISI grade, or where Roldan did not report the chemical content ranges of the non-AISI grades, we have preliminarily used the grade code reported by Roldan for analysis purposes. We intend to examine this issue further for the final determination.

Furthermore, with respect to home market sales of non-prime merchandise

made by Roldan during the POI, we excluded these sales from our preliminary analysis based on the limited quantity of such sales in the home market and the fact that no such sales were made in the United States during the POI, in accordance with our past practice. See, e.g., *Final Determinations of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate from Korea*, 58 FR 37176, 37180 (July 9, 1993). For further discussion, see the Concurrence Memorandum from The Team to Richard Moreland, dated February 25, 1998 (Concurrence Memorandum).

#### Cost Reporting

Roldan reported that the cost records it maintains in the ordinary course of business do not allow it to identify separate costs for each unique product as defined by the product characteristics identified in the Department's antidumping questionnaire. Therefore, for some unique products, Roldan reported the same costs despite the Department's instruction to assign a single weighted-average cost to each unique product. Based on Roldan's claim regarding the limitations of its cost accounting system, we have accepted Roldan's cost reporting methodology for the preliminary determination. However, we shall examine Roldan's claims at verification and revisit this issue if necessary for the final determination. For further discussion, see the Concurrence Memorandum.

#### 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 CV, that of the sales from which we derive selling, general and administrative (SG&A) 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 level of trade than EP or CEP, we examined 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).

Roldan reported all of its sales to the United States during the POI as EP transactions; however, for the reasons identified in the "Constructed Export Price" section of this notice below, we reclassified Roldan's U.S. sales as CEP sales. We determined that there was only one LOT in the comparison-market and, therefore, we compared the CEP LOT to the NV LOT. Roldan did not claim a LOT adjustment. Nevertheless, we evaluated whether such an adjustment was necessary by examining Roldan's distribution system, including selling functions, classes of customers, and selling expenses. After making deductions pursuant to section 772(d) of the Act, we found that the selling functions performed at the CEP LOT, which included invoicing and technical support, were sufficiently different from the selling functions performed at the NV LOT, which included sales negotiation, customer contact, and technical support, to consider these to be different levels of trade. We therefore considered whether the difference in LOT affected price comparability. The effect on price comparability must be demonstrated by a pattern of consistent price differences between sales at the two relevant levels of trade in the comparison market. However, since POI sales of the merchandise under investigation in the comparison market were at only one LOT, we were unable to determine whether there was a pattern of consistent price differences. For further discussion of this issue, see the Concurrence Memorandum.

We also considered alternative sources of information in accordance with the Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act. The SAA provides that, "if information on the same product and company is not available, the LOT adjustment may also be based on sales of other products by

the same company. In the absence of any sales, including those in recent time periods, to different levels of trade by the exporter or producer under investigation, Commerce may further consider the selling expenses of other producers in the foreign market for the same product or other products." *SAA* at 830. However, we did not have information on the record that would allow us to examine or apply these alternative methods for calculating a LOT adjustment.

Since we were unable to quantify a LOT adjustment based on a pattern of consistent price differences, in accordance with section 773(a)(7)(B) of the Act, we granted a CEP offset because all of the comparison sales were at a more advanced level of trade than the sales to the United States.

#### Constructed Export Price

Roldan reported all of its U.S. sales as EP transactions. These sales were made to unaffiliated U.S. customers prior to importation through Roldan's affiliated U.S. sales entity, Acerinox U.S.A. Roldan noted that this was the customary commercial channel for these sales and that the merchandise was shipped directly from the manufacturer to the unaffiliated U.S. customer.

We examine several factors to determine whether sales made prior to importation through an affiliated sales agent to an unaffiliated customer in the United States are EP sales. These factors are (1) whether the merchandise was shipped directly from the manufacturer to the unaffiliated U.S. customer; (2) whether the sales follow customary commercial channels between the parties involved; and (3) whether the function of the U.S. selling agent is limited to that of a "processor of sales-related documentation" and a "communication link" with the unrelated U.S. buyer. Where the factors indicate that the activities of the U.S. affiliate are ancillary to the sale (*e.g.*, arranging transportation or customs clearance), we treat the transactions as EP sales. Where the U.S. affiliate is substantially involved in the sales process (*e.g.*, negotiating prices, performing support functions), we treat the transactions as CEP sales.

Based on our review of Acerinox U.S.A.'s selling activities, we preliminarily determine that Roldan's sales to the United States through Acerinox U.S.A. are CEP sales. Although Roldan reported that the customary commercial channel is to sell the merchandise prior to importation and ship it directly to the unaffiliated U.S. customers without having the merchandise enter into the inventory of

Acerinox U.S.A., we preliminarily determined that Acerinox U.S.A. acted as more than a "processor of sales-related documentation" and a "communication link" with the unaffiliated U.S. customers. Acerinox U.S.A. performed a variety of selling functions in connection with Roldan's SSWR sales in the United States, including negotiating the terms of SSWR sales with U.S. customers, reporting to Roldan concerning market conditions, identifying customers, and coordinating U.S. sales. Accordingly, for purposes of the preliminary determination, we are treating the sales in question as CEP transactions. However, we will examine this issue further at verification. For further discussion of this issue, see the Concurrence Memorandum.

We calculated CEP in accordance with sections 772(b) of the Act. Specifically, we calculated CEP based on packed, delivered prices to unaffiliated purchasers in the United States. We made deductions from the starting price, where appropriate, for discounts. We also made deductions for foreign inland freight, foreign brokerage and handling, other transportation expenses (*i.e.*, insurance, U.S. Customs duty), international freight and U.S. inland freight, pursuant to section 772(c)(2)(A) of the Act. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activity occurring in the United States, including credit expenses and indirect selling expenses. Because we treated all U.S. sales as CEP sales, we reduced U.S. starting price by actual selling expenses incurred by the U.S. affiliate rather than the commissions that Roldan paid the affiliate (*see* 19 CFR 351.402(e)). Finally, we made an adjustment for profit in accordance with section 772(d)(3) of the Act.

#### Normal Value

After testing home market viability, whether sales to affiliates were at arm's-length prices, and whether home market sales were at below-cost prices, we calculated NV as noted in the "Price-to-Price Comparisons" section of this notice.

##### 1. Home Market Viability

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.*, the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared Roldan'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. Because Roldan'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.

##### 2. Affiliated Party Transactions and Arm's-Length Test

Sales to affiliated customers in the home market were not made at arm's-length prices and thus were excluded from our analysis because we considered them to be outside the ordinary course of trade. *See* 19 CFR 351.102. To test whether these sales were made at arm's-length prices, we compared, on a model-specific basis, starting prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, and packing. Where, for the tested models of subject merchandise, prices to the affiliated party were on average 99.5 percent or more of the price to unaffiliated parties, we determined that sales made to the affiliated party were at arm's length. *See* 19 CFR 351.403(c) and 62 FR at 27355 (preamble to the Department's regulations). In instances where no price ratio could be constructed for an affiliated customer because identical merchandise was not sold to unaffiliated customers, we were unable to determine that these sales were made at arm's-length prices and, therefore, excluded them from our LTFV analysis. *See Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Argentina*, 58 FR 37062, 37077 (July 9, 1993). Where the exclusion of such sales eliminated all sales of the most appropriate comparison product, we made a comparison to the next most similar model.

##### 3. Cost of Production Analysis

Based on the cost allegation submitted in the petition, the Department found reasonable grounds to believe or suspect that Roldan had made sales in the home market at prices below the cost of producing the merchandise, in accordance with section 773(b)(1) of the Act. As a result, the Department initiated an investigation to determine whether Roldan made home market sales during the POI at prices below their respective COPs within the meaning of section 773(b) of the Act. *See Notice of Initiation*. 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 Roldan's cost of materials and fabrication for the foreign like product, plus amounts for home market SG&A expenses and packing costs in accordance with section 773(b)(3) of the Act. We adjusted Roldan's reported POI costs to eliminate any adjustment for startup costs because we determined preliminarily that Roldan identified the startup period incorrectly. For further discussion of this issue, see the Calculation Memorandum from Howard Smith to Irene Darzenta dated February 25, 1998 and the Concurrence Memorandum.

#### B. Test of Home Market Prices

We used Roldan'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 in the normal course of trade. On a product-specific basis, we compared the COP (net of selling expenses and packing) to the home market prices, less any applicable movement charges, rebates, discounts, direct and indirect selling expenses, and packing.

#### C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of Roldan'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 Roldan'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. 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.

We found that, for certain models of SSWR, more than 20 percent of Roldan's home market sales within an extended period of time were sold at prices less than COP. Further, the prices did not provide for the recovery of costs within a reasonable period of time. We therefore disregarded the below-cost sales and used the remaining above-cost sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act. For those U.S. sales of SSWR for which there were no comparable (above-cost) home market sales in the ordinary course of trade, we compared CEPs to CV in accordance with section 773(a)(4) of the Act.

#### Price-to-Price Comparisons

We calculated NV based on delivered prices to unaffiliated customers. We made deductions, where appropriate, from the starting price for inland freight and direct selling expenses, pursuant to sections 773(a)(6)(B) and 773(a)(6)(C)(iii) of the Act, respectively. We made adjustments, where appropriate, for differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. Also, as explained in the "Level of Trade" section of this notice above, because we determined that NV is at a different LOT than CEP and we were unable to quantify a LOT adjustment, we granted a CEP offset because all of the comparison sales were at a more advanced level of trade than the sales to the United States, pursuant to section 773(a)(7)(B) of the Act. Accordingly, we deducted home market indirect selling expenses up to the amount of U.S. indirect selling expenses. Finally, we deducted home market packing costs and added U.S. packing costs in accordance with section 773(a)(6)(A) and (B) of the Act.

#### Currency Conversion

We made currency conversions into U.S. dollars based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Section 773A(a) of the Act directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars unless the daily rate involves a fluctuation. It is the Department's practice to find that a fluctuation exists when the daily exchange rate differs from the benchmark rate by 2.25 percent. The benchmark is defined as the moving average of rates for the past 40 business days. When we determine a fluctuation to have existed, we substitute the benchmark rate for the daily rate, in

accordance with established practice. Further, section 773A(b) of the Act directs the Department to allow a 60-day adjustment period when a currency has undergone a sustained movement. A sustained movement has occurred when the weekly average of actual daily rates exceeds the weekly average of benchmark rates by more than five percent for eight consecutive weeks. For an explanation of this method, see *Policy Bulletin 96-1: Currency Conversions*, 61 FR 9434 (March 8, 1996). Such an adjustment period is required only when a foreign currency is appreciating against the U.S. dollar. The use of an adjustment period was not warranted in this case because the Spanish peseta did not undergo a sustained movement during the POI.

#### Verification

As provided in section 782(i) of the Act, we will verify all information determined to be acceptable for use 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 imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the constructed export price, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
Roldan, S.A. ....	11.40
All Others .....	11.40

#### 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 ten copies must be submitted to the Assistant Secretary for Import

Administration no later than May 22, 1998, and rebuttal briefs no later than May 29, 1998. A list of authorities used and an executive summary of issues must 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 June 2, 1998, time and room to be determined, 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 30 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 no later than 135 days after the publication of this notice in the **Federal Register**. This determination is published pursuant to section 777(i) of the Act.

Dated: February 25, 1998.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 98-5603 Filed 3-4-98; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-588-843]

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

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

**EFFECTIVE DATE:** March 5, 1998.

**FOR FURTHER INFORMATION CONTACT:** David Genovese, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW,

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#### 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 of Commerce's (the Department's) regulations are references to 19 CFR part 351 (62 FR 27296 (May 19, 1997)).

#### Preliminary Determination

We preliminarily determine that stainless steel wire rod (SSWR) from Japan 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 of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

#### Case History

Since the initiation of this investigation (*Notice of Initiation of Antidumping Duty Investigations: Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, 62 FR 45224 (August 26, 1997)), the following events have occurred:

During August and September 1997, the Department obtained information from the U.S. Embassy in Tokyo and the Embassy of Japan in Washington, D.C., identifying potential producers and/or exporters of the subject merchandise to the United States. Based on this information, in September 1997, the Department issued antidumping questionnaires to the following ten companies: Aichi Steel Works Ltd. (Aichi), Daido Steel Co. Ltd. (Daido), Hitachi Metals Ltd. (Hitachi), Kobe Steel Ltd. (Kobe), Nippon Steel Corporation (Nippon), Pacific Metals Co. Ltd. (Pacific), Sanyo Special Steel Co. Ltd. (Sanyo), Sumitomo Electric Industries Ltd. (SEI), Sumitomo Metal Industries Ltd. (SMI), and Toa Steel Co. Ltd. (Toa).

On September 15, 1997, the United States International Trade Commission (ITC) issued an affirmative preliminary injury determination in this case (see ITC Investigation Nos. 731-TA-769-775).

In October and November 1997, the Department received questionnaire responses from all ten companies. Five of the companies (Nippon, Daido, Hitachi, Sanyo, and SEI) reported that they had made sales of subject merchandise to the United States during the period of investigation (POI) and

five (Aichi, Kobe, Pacific, SMI, and Toa) reported that they had not made sales of subject merchandise to the United States during the POI. Because Daido, Hitachi, Nippon, Sanyo, and SEI made sales of subject merchandise to the United States during the POI, they were selected as mandatory respondents. See Memorandum To Louis Apple From the Team, regarding respondents' selection, dated October 22, 1997. Of these companies, Nippon, Daido, and Hitachi provided complete responses to the Department's questionnaire; Sanyo provided a response to questions 1, 2, 5 and 6, of Section A, and SEI provided a response only to question 1 of Section A, but did not respond to the remaining portion of Section A or Sections B and C of the Department's questionnaire. In its partial response to the Department's questionnaire, Sanyo requested to be excluded from the group of companies investigated in this antidumping investigation, due to its insubstantial exports of SSWR during the POI. The petitioners did not support Sanyo's request (see Memorandum to the File from Jim Maeder, dated December 4, 1997) and, thus, we were unable to grant Sanyo's request, pursuant to 19 CFR 351.204(c)(1). On December 5, 1997, we informed Sanyo that we considered it to be a mandatory respondent in this investigation and that it was required to provide a complete response to the remaining portion of our questionnaire. Sanyo never responded to that request. With regard to SEI, when it failed to respond to the remainder of the questionnaire, we informed it again on October 8, 1997, that it was a mandatory respondent and was required to respond to our questionnaire and we extended the deadline for its response. SEI never responded to that request.

Because Sanyo and SEI failed to respond fully to our questionnaire, we have assigned to these companies a margin based on the facts available. (See the "Facts Available" section below for further discussion.)

In its October 10, 1997, submission, Nippon stated that it was affiliated with a number of SSWR producers. On October 22, 1997, based on this information, the Department determined that Nippon was required to provide a single response which included the information on all of its affiliates. On October 28, 1997, Nippon requested that the Department reconsider its position. On November 20, 1997, we informed Nippon that, because we do not believe that it has a significant potential to manipulate the pricing or production decisions of its affiliates, Nippon would not be required to submit a single response that includes the information