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]

BILLING CODE 3510–DS–P

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, Washington, D.C. 20230; telephone: (202) 482–0498.

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

of its affiliates. We also informed Nippon that, should we find evidence of significant potential for price manipulation during verification, we may use facts available for purposes of the final determination. For further discussion of this issue, *see* Memorandum From the Team to Louis Apple, dated November 20, 1997.

On November 25, 1997, the petitioners submitted a timely allegation pursuant to section 773(b) of the Act that Daido and Nippon had made sales in the home market below the cost of production (COP). Based on our analysis of these allegations, we initiated a COP investigation with respect to Daido and Nippon and informed these companies that they needed to complete Section D of our questionnaire.

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. On December 16, 1997, we granted this request and postponed the preliminary determination until no later than February 25, 1998. *See* 62 FR 66849 (December 22, 1997).

In December 1997, we issued to Daido supplemental sales questionnaires and received responses in January 1998. In December 1997, we issued to Hitachi supplemental sales questionnaires and received responses in the same month. In January 1998, we received responses from Daido and Nippon to section D of the Department's questionnaire. In addition, in January 1998, we issued a supplemental cost questionnaire to Hitachi and received Hitachi's response in the same month.

In February 1998, we issued additional supplemental sales questionnaires to Daido, Hitachi, and Nippon, and supplemental cost questionnaires to Daido and Nippon. Also in February 1998, Nippon submitted revised home market and U.S. sales listings, which identified prime and non-prime merchandise and corrected the inventory carrying cost calculation. This information, except for Nippon's recalculation of the inventory carrying cost adjustment which was a minor correction, was received too late to be considered for purposes of this preliminary determination. We will consider it, however, for purposes of the final determination.

Postponement of Final Determination and Extension of Provisional Measures

On February 13, 1998, the respondents 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**, pursuant to section 735(a)(2)(A) of the Act. The respondents also requested that the Department extend provisional measures pursuant to section 733(d) of the Act from four months to not more than six months. In accordance with 19 CFR 351.210(e), because: (1) Our preliminary determination is affirmative; (2) the respondents account for a significant proportion of exports of the subject merchandise; (3) no compelling reasons for denial exist; and (4) respondents have requested an extension of provisional measures, we are granting this 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.

Facts Available

As noted above, Sanyo only provided a response to questions 1, 2, 5, and 6 of Section A of the Department's questionnaire and SEI only provided a response to question 1 of Section A of the Department's questionnaire. They failed to respond to the remainder of the questionnaire. Section 776(a)(2) of the Act provides that, if an interested party: (A) Withholds information that has been requested by the Department; (B) fails to provide such information in a timely manner or in the form or manner requested; (C) significantly impedes a proceeding under the antidumping statute; or (D) provides such information but the information cannot be verified, the Department shall, subject to subsections 782(c)(1) and (e), use facts otherwise available in reaching the applicable determination. Because Sanyo and SEI failed to respond to the Department's questionnaire and because that failure is not overcome by the application of subsections (c)(1) and (e) of section 782, we must use facts otherwise available to calculate the dumping margins for these companies.

Section 776(b) of the Act provides that adverse inferences may be used against a party that has failed to cooperate by not acting to the best of its ability to comply with the Department's requests for information. *See also* Statement of Administrative Action accompanying the URAA, H.R. Rep. No. 316, 103d Cong., 2d Sess. 870 (1994) (SAA). Sanyo's and SEI's decision not to reply to the Department's antidumping questionnaire demonstrates that they have failed to act to the best of their ability to comply with a request for information under section 776 of the Act. Thus, the Department has determined that, in selecting among the facts otherwise available, an adverse inference is warranted.

In accordance with our standard practice, as adverse facts available, we are assigning to Sanyo and SEI the higher of: (1) The highest margin stated in the notice of initiation; or (2) the highest margin calculated for any respondent in this investigation. In this case, this margin is 31.38 percent, which is the highest margin calculated for a respondent in this investigation.

Section 776(b) states that an adverse inference may include reliance on information derived from the petition or any other information placed on the record. *See* also SAA at 829–831. Section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) in using the facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. In an investigation, if the Department chooses as facts available a calculated dumping margin of another respondent, it is not necessary to question the reliability of that calculated margin. With respect to relevance, however, the Department will consider information reasonably at its disposal as to whether there are circumstances that would render a margin not relevant. Where circumstances indicate that the selected margin may not be appropriate, the Department will attempt to find a more appropriate basis for facts available (*see, e.g., Fresh Cut Flowers from Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812, 6814 (February 22, 1996) (where the Department disregarded the highest margin as adverse best information available because the margin was based on another company's uncharacteristic business expense resulting in an unusually high margin)).

For both Sanyo and SEI, the rate specified above is reliable and relevant because it is a calculated rate for another respondent in this investigation and there is no information on the record that demonstrates that the rate selected is not an appropriate total adverse facts available rate. Thus, for Sanyo and SEI, the Department considers the rate calculated for Daido, 31.38, to be appropriate adverse facts available.

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 Japan to the United States were made at less than fair value, we compared the Export Price (EP) or Constructed Export Price (CEP) to the Normal Value (NV), as described in the ''Export Price/Constructed Export Price'' and ''Normal Value'' sections of this notice, below. As discussed in the ''Export Price/Constructed Export Price'' section of this notice, Daido and Nippon made only EP sales to the United States and Hitachi made only CEP sales to the United States. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs and CEPs for comparison to weighted-average NVs. For Hitachi, because its home market was not viable and because it did not have sales to third countries, we made no price-to-price comparisons. Instead, we based normal value on constructed value (CV). *See* the ''Normal Value'' section of this notice, below, for further discussion.

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.

In instances where a respondent 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 respondents 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, we have preliminarily used the grade code reported by respondents for analysis purposes. We intend to examine this issue further for the final determination.

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 as the EP or CEP. The NV level of trade 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 expenses (SG&A) and profit. For EP, the U.S. level of trade 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 sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different level of trade, 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 level of trade of the export transaction, we make a level-of-trade 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 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, 23761 (November 19, 1997).

Neither Daido nor Nippon claimed a level-of-trade adjustment. Nevertheless, we evaluated whether such an adjustment was necessary by examining Daido's and Nippon's distribution systems, including selling functions, classes of customers, and selling expenses. We found that there was no substantive difference in the selling functions performed by Daido or Nippon at either of its claimed marketing stages in the home market and in the U.S. market. For a detailed explanation of the Department's level-of-trade analysis, see Memorandum from the Team to James Maeder, dated February 25, 1998. Consequently, we determine that only one level of trade exists with respect to sales made by Daido and Nippon to all customers and, therefore, a level-of-trade adjustment pursuant to section 773(a)(7)(A) of the Act is not warranted.

Hitachi reported that its home market was not viable because the quantity of sales in the home market was less than five percent of the quantity of U.S. sales. In addition, Hitachi reported that it did not have sales to third countries. Consequently, we have not made a level-of-trade adjustment or granted a CEP-offset adjustment to the CVs reported by Hitachi. For a detailed explanation of the Department's level-of-trade analysis, see Memorandum from the Team to James Maeder, dated February 25, 1998.

U.S. Sample Sales

Hitachi has requested that the Department exclude from its analysis all of Hitachi's U.S. sales that it claims are sales of samples. The Department does not automatically exclude from its analysis of U.S. sales any transaction to which a respondent applies the label ''sample.'' *See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 62 FR 54043, 54068 (Oct. 17, 1997). Pursuant to the recent Court of Appeals for the Federal Circuit decision in *NSK v. United States*, 115 F.3d 965, 975 (1997), the Department's policy is to exclude those sample transactions from the antidumping calculations for which a respondent has established that there is either no transfer of ownership or no consideration (*i.e.*, payment). The Department makes its determinations regarding sample sales by examining the relevant facts of each individual case, and the burden of proof in demonstrating that (1) ownership of the merchandise has not changed hands, or (2) the sample was returned to the respondent or destroyed in the testing process rests with the respondent. *See Granular Polytetrafluoroethylene Resin from Japan*, 58 FR 50343, 50345 (September 27, 1993).

In this case, Hitachi reported that it received payment (*i.e.*, consideration) for its U.S. sales of the SSWR proprietary grade. Thus, it appears that the ownership of the merchandise has changed hands. Further, Hitachi has neither claimed, nor provided evidence, that the alleged samples were either returned to it or destroyed by the customer during testing. Accordingly, consistent with our practice and the Court's decision in *NSK*, we have included these sample sales in our margin calculations.

Services Performed by Affiliated Parties

Daido, Hitachi, and Nippon reported that affiliated companies provided various services for home market and U.S. sales. Hitachi reported that an affiliated party in the home market provided brokerage and handling and packing services. Daido reported that affiliated parties performed transportation, warehousing and packing services for home market and U.S. sales. Nippon reported that affiliated parties provided transportation services for home market and U.S. sales. In their questionnaire responses, Daido, Hitachi, and Nippon reported the amounts charged to them by their affiliated service providers rather than the actual costs incurred by these providers, claiming that the prices charged for the services were at arm's length. The petitioners contend that the respondents should be required to demonstrate that the services provided by their affiliates were offered at arm's-length prices. Alternatively, in the absence of such a demonstration, petitioners assert that the respondents must show that the costs of the affiliated service providers were fully absorbed.

It is the Department's practice to accept the payment made by a respondent for a service as the basis for reported adjustments, as long as it can be demonstrated that it was performed at arm's-length prices. If this cannot be demonstrated, we require the respondent to provide the affiliate's cost of performing the service. *See, e.g., Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea: Final Results of Antidumping Duty Administrative Reviews*, 62 FR 18404, 18427 (April 15, 1997), and *Final Determination of Sales at Less Than Fair Value; Certain Internal Combustion, Industrial Forklift Trucks from Japan*, 53 FR 12552 (April 15, 1988). In February 1998, we issued supplemental questionnaires to the respondents, asking them to either demonstrate that the services provided by their affiliated companies were at arm's-length prices or provide the cost incurred by the affiliated companies for providing these services. Because we will not receive this information in time for purposes of the preliminary determination, we will use the amounts charged for these services by the affiliated companies as reported by respondents. However, the supplemental information provided by respondents will be subject to verification and taken into consideration for purposes of the final determination.

Export Price/Constructed Export Price

For Daido and Nippon, we used EP methodology, in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation and CEP methodology was not otherwise indicated.

For Hitachi, since sales to the first unaffiliated purchaser took place after importation into the United States, we

used CEP methodology, in accordance with section 772(b) of the Act.

We made company-specific adjustments as follows:

A. Daido

We calculated EP based on packed, FOB port-of-export prices, to unaffiliated purchasers in the United States. We made deductions to the starting price, where appropriate, for foreign inland freight and foreign inland insurance expense, pre-sale warehousing expense, and foreign brokerage and handling fees, pursuant to section 772(c)(2)(A) of the Act.

B. Hitachi

We calculated CEP based on packed, ex-factory prices to unaffiliated purchasers in the United States. We made deductions from the starting price, where appropriate, for foreign inland freight and foreign inland insurance expense, foreign brokerage and handling, international freight, U.S. Customs merchandise processing fees, U.S. brokerage and handling fees, and U.S. inland freight and U.S. inland insurance expense, pursuant to section 772(c)(2)(A) of the Act.

We made additional deductions from the starting price, in accordance with sections 772(d)(1) and (2) of the Act, for credit expenses, indirect selling expenses, inventory carrying costs, U.S. repacking expenses, and U.S. further-manufacturing costs. In calculating U.S. further-manufacturing costs, we adjusted the further-manufacturing general and administrative expense ratio to reflect the company-wide general and administrative expenses of HMA. *See* Memorandum from Taija Slaughter to Chris Marsh, dated February 25, 1998. Pursuant to section 772(d)(3) of the Act, the price was further reduced by an amount for profit to arrive at the CEP. In accordance with section 772(f)(2)(C)(ii) and 772(f)(2)(D) of the Act, the CEP profit rate was calculated using the internal financial statements of Yasugi Works, the division that produces the subject merchandise for sale in the home market and for export to the United States and the company-level financial statements of HMA. For further explanation, *see* Concurrence Issues Memorandum from the Team to Louis Apple dated February 25, 1998.

C. Nippon

We calculated EP based on packed sales prices to unaffiliated purchasers in the United States. We made deductions from the starting price, where appropriate, for discounts. We also made deductions from the starting price for foreign inland freight and foreign inland insurance expense, foreign brokerage and handling fees, and international freight, where appropriate, pursuant to section 772(c)(2)(A) of the Act.

Normal Value

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared each respondent's volume of home market sales of the foreign like product to the volume of its U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Because Daido's and Nippon's aggregate volume of each company's home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined that the home market was viable for Daido and Nippon. Because Hitachi's volume of home market sales of the foreign like product was not greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined that its home market was not viable. In addition, Hitachi reported that it did not have sales of subject merchandise to third countries. Accordingly, for Hitachi, we have based NV on the CV of the subject merchandise sold in the United States.

Because Nippon and Daido reported home market sales during the POI to affiliated parties, as defined by section 771(33) of the Act, we tested these sales to ensure that they were made at arm's-length prices, in accordance with our practice. To conduct this test, we compared the starting prices of sales to affiliated and unaffiliated customers net of all direct selling expenses, movement charges, discounts, and packing, where appropriate. Based on the results of our test, we excluded sales from Nippon and Daido to their affiliated parties when weighted-average prices to an affiliated party were on average less than 99.5 percent of weighted-average prices to unaffiliated parties. We also excluded sales to affiliated parties when there were no sales to unaffiliated parties to serve as a benchmark by which to determine whether the sales to affiliated parties were made at arm's-length prices.

Based on the information contained in cost allegations submitted by the petitioners, the Department found reasonable grounds to believe or suspect that Daido and Nippon made sales in the home market at prices below the cost of producing the subject merchandise, in accordance with section 773(b)(1) of the Act. As a result, the Department initiated investigations to determine whether Daido or Nippon made home market sales during the POI at prices below their respective cost of production (COP) during the POI, within the meaning of section 773(b) of the Act. *See* Memorandum to Louis Apple from the Team, regarding the Analysis of Petitioners' Allegation of Sales Below the Cost of Production, dated December 10, 1997. Before making any fair value comparisons, we conducted the COP analysis described below.

We calculated the COP based on the sum of each respondent'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 the numerator used in Daido's G&A expense ratio calculation to exclude certain income and expense items, and we adjusted the denominator to use unconsolidated cost of sales. *See* Memorandum to Chris Marsh from Taija Slaughter, regarding the COP calculation, dated February 25, 1998.

We compared Daido's and Nippon's weighted-average COP figures to home 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 their respective COPs. On a product-specific basis, we compared the COP to home market price, less any applicable movement charges, discounts, direct selling expenses and packing expenses.

In determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made: (1) In substantial quantities within an extended period of time; and (2) at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade, pursuant to section 773(b)(1) of the Act.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of the respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in ''substantial quantities.'' Where 20 percent or more of the respondent's sales of a given product during the POI were at prices less than the COP, we determined such sales to have been made in ''substantial quantities'' within an extended period of time in accordance with section 773(b)(2)(B) of the Act. In such cases, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with

section 773(b)(2)(D) of the Act. 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. For those U.S. sales of SSWR for which there were no comparable home market sales in the ordinary course of trade, we compared the EP or CEP to CV in accordance with section 773(a)(4) of the Act.

We found that, for certain models of SSWR, more than 20 percent of the respondent's home market sales within an extended period of time were 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.

In accordance with section 773(e) of the Act, we calculated CV based on the sum of each respondent's cost of materials, fabrication, SG&A expenses, profit, and U.S. packing costs. As noted above, for Daido we adjusted the numerator used in the G&A expense ratio calculation to exclude certain income and expense items, and the denominator to use unconsolidated cost of sales. For Daido and Nippon, in accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by each respondent in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

For Hitachi, we based SG&A expenses and profit on the weighted-average of the SG&A and profit data computed for those respondents with home market sales of the foreign like product in the ordinary course of trade, in accordance with section 773(e)(2)(B)(ii) of the Act because Hitachi had no viable home or third-country market.

A. Daido

We based NV on packed, delivered prices to home market customers. We made deductions for foreign inland freight and foreign inland insurance expenses, and pre- and post-sale warehousing expenses, where appropriate, pursuant to section 773(a)(6)(B) of the Act.

Pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410(c), we made circumstance-of-sale adjustments, where appropriate, for differences in credit expenses.

We added export packing costs incurred for U.S. export shipments of SSWR, in accordance with section 773(a)(6) of the Act. We made no adjustment for home market packing costs because Daido included these expenses in the cost of manufacture and did not report them separately. Where appropriate, we made an adjustment to NV to account for differences in physical characteristics of the merchandise, in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411.

B. Hitachi

As noted above, for Hitachi, we based NV on CV because Hitachi's home market was not viable and because Hitachi did not have sales of subject merchandise to third countries. We did not make any adjustments to the CV amounts reported by Hitachi. In addition, because Hitachi's home market was not viable, we based SG&A and profit expenses on the weighted-average SG&A and profit data computed for Daido's and Nippon's home market sales of the foreign like product in the ordinary course of trade, in accordance with section 773(e)(2)(B)(ii) of the Act.

C. Nippon

We based NV on packed, ex-factory or delivered prices to home market customers. Where appropriate, we made deductions for discounts. We also made deductions for foreign inland freight and foreign inland insurance expense, where appropriate, pursuant to section 773(a)(6)(B) of the Act.

Pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410(c), we made circumstance-of-sale adjustments for differences in credit and warranty expenses.

Because Nippon paid commissions on U.S. sales, in calculating NV we offset these commissions using the weighted-average amount of indirect selling expenses, including inventory carrying costs, incurred on the home market sales of the comparison product, up to the amount of U.S. commissions, in accordance with 19 CFR 351.410(e).

We deducted home market packing costs and added U.S. packing costs, in accordance with section 773(a)(6) of the Act. Where appropriate, we made adjustments to NV to account for differences in physical characteristics of the merchandise, in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411.

Currency Conversion

For purposes of the preliminary determination, 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) 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. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61971 (November 19, 1997). 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 rate for the daily rate, in accordance with established practice. Further, section 773A(b) 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 Japanese Yen did not undergo a sustained movement nor were there currency fluctuations 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 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
Daido Steel Co. Ltd	31.38
Nippon Steel Corporation	24.41
Hitachi Metals Ltd	27.81
Sanyo Special Steel Co., Ltd	31.38
Sumitomo Electric Industries, Ltd	31.38
All Others	26.69

Pursuant to section 735(c)(5)(A) of the Act, the Department has excluded any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act, from the calculation of the ''All Others Rate.''

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 place to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within ten days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by 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. 98–5604 Filed 3–4–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

Business Development Trade Mission to the People's Republic of China

AGENCY: International Trade Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: The Under Secretary for International Trade will lead a Business Development trade mission to The People's Republic of China and the special administrative region of Hong Kong to promote expanded trade opportunities and advocate for U.S. business interests in priority sectors throughout China. These sectors include: infrastructure in the transportation and engineering, design and construction fields; construction machinery; air traffic control equipment; information technologies, machine tools; insurance and project finance. The mission, which will occur April 13–22, 1998, will be supported by the U.S. Embassy in Beijing.

DATES: Interested U.S. firms should apply to participate in the mission as soon as possible. All application requirements must be completed by March 21, 1998.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be made to Damon C. Greer, (202) 482–5023 at the Commerce Department's Office of Energy, Infrastructure and Machinery.

SUPPLEMENTARY INFORMATION: The criteria for selection of mission participants are:

- Relevance of a company's business line to mission goals
- Timeliness of completed application by company (including participation fee)
- Potential of business in China for the company

Any partisan political activities (including political contributions) of an applicant are entirely irrelevant to the selection process.

China represents one of the most dynamic markets in the world and after Japan has the potential of being the largest single market in Asia for U.S. exports. The United States has made progress toward opening China's market to U.S. goods and services. At the World Economic Forum in Davos, Switzerland, Vice Premier Li Lanquing recently announced China's plans to invest more than $750 billion in infrastructure over the next three years. This development represents a tremendous potential for U.S. capital goods manufacturers and infrastructure development firms. The Under Secretary will meet with senior decision makers in the Chinese government to advocate on behalf of U.S. companies, address market access issues, and work to strengthen Commerce's public/private partnership in China. Business participants will meet with potential clients and business partners, industry groups, and relevant Chinese government agencies. Additionally, meetings will be held with regional and local authorities to discuss opportunities for the sectors represented on the mission.

Dated: February 27, 1998.

Damon C. Greer,

Acting Director, Office of Energy, Infrastructure and Machinery.

[FR Doc. 98–5805 Filed 3–4–98; 8:45 am]

BILLING CODE 3510–DR–U

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Northeast Region Logbook Family of Forms; Proposed Collection; Comment Request

SUMMARY: The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104–13 (44 U.S.C. 3506(c)(2)(A)).

DATES: Written comments must be submitted on or before May 4, 1998.

ADDRESSES: Direct all written comments to Linda Engelmeier, Departmental Forms Clearance Officer, Department of Commerce, Room 5327, 14th and Constitution Avenue, NW, Washington DC 20230.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or