entries. Individual differences between EP/CEP and NV may vary from the percentages stated above. Upon completion of this review, the Department will issue appraisement instructions directly to the U.S. Customs Service.

Furthermore, the following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of CPF from Thailand entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) the cash deposit rate for companies listed above will be the rate established in the final results of this review, except if the rate is less than 0.5 percent and, therefore, *de minimis,* the cash deposit will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 24.64 percent, the All Others rate established in the LTFV investigation.

These cash deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: April 2, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–9435 Filed 4–8–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–428–803]

Industrial Nitrocellulose from Germany; Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results of antidumping duty administrative review of industrial nitrocellulose from Germany.

SUMMARY: In response to a request from the petitioner, Hercules Incorporated, the Department of Commerce is conducting an administrative review of the antidumping duty order on industrial nitrocellulose from Germany. The period of review is July 1, 1996 through June 30, 1997. This review covers imports of industrial nitrocellulose from one producer, Wolff Walsrode AG.

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

Interested parties are invited to comment on these preliminary results. Parties who submit arguments are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. We will issue the final results not later than 120 days from the date of publication of this notice.

EFFECTIVE DATE: April 9, 1998.

FOR FURTHER INFORMATION CONTACT: Todd Peterson or Zev Primor, AD/CVD Enforcement Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–4195, and 482–4114, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (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 refer to the regulations codified at 19 CFR Part 351, (62 FR 27296, May 19, 1997).

Background

On July 10, 1990, the Department published in the **Federal Register** (55 FR 28271) the antidumping duty order on industrial nitrocellulose (INC) from Germany. On July 21, 1997, the Department published in the **Federal Register** (62 FR 38973) a notice of opportunity to request an administrative review of this antidumping duty order. On July 30, 1997, in accordance with 19 CFR 351.213(b), the petitioner and domestic producer of the subject merchandise, Hercules Incorporated, requested that the Department conduct an administrative review of Wolff Walsrode AG's (WWAG's) imports of subject merchandise to the United States. We published the notice of initiation of this review on August 28, 1997 (62 FR 45621).

Verification

As provided in section 782(i)(3) of the Act, we verified the data provided by the respondent using standard verification procedures, including on-site inspection of the manufacturer's facilities, the examination of relevant sales and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the public versions of the verification reports.

Scope of the Review

Imports covered by this review are shipments of INC from Germany. INC is a dry, white, amorphous synthetic chemical with a nitrogen content between 10.8 and 12.2 percent, and is produced from the reaction of cellulose with nitric acid. INC is used as a film-former in coatings, lacquers, furniture finishes, and printing inks. The scope of this order does not include explosive grade nitrocellulose, which as a nitrogen content of greater than 12.2 percent. INC is currently classified under Harmonized Tariff Schedule (HTS) subheading 3912.20.00. While the HTS item number is provided for convenience and Customs purposes, the written description remains dispositive as to the scope of the product coverage. The review period is July 1, 1996 through June 30, 1997.

Product Comparisons

We calculated monthly, weighted-average, normal values (NVs). Where possible, we compared U.S. sales to sales of identical merchandise in Germany. When identical merchandise

was not sold during the relevant contemporaneous period, we compared U.S. sales to sales of the next most similar foreign like product (*see* section 771(16) (B) and (C) of the Act).

Export Price and Constructed Export Price

For sales to the United States, we used export price (EP) or constructed export price (CEP) as defined in sections 772(a) and 772(b) of the Act, as appropriate. In accordance with sections 772(a) and (c) of the Act, we calculated an EP where the merchandise was sold by the producer outside the United States directly to the first unaffiliated purchaser in the United States prior to importation. In accordance with sections 772(b), (c) and (d) of the Act, we calculated a CEP for those sales made by affiliated U.S. resellers that took place after importation into the United States. For sales made prior to importation, we considered the following factors to determine whether to treat the sales as EP or CEP: (1) Whether the merchandise was shipped directly from the manufacturer to the unaffiliated U.S. customer; (2) whether this was the customary commercial channel between the parties involved; and (3) whether the function of the U.S. affiliate was limited to that of a processor of sales-related documentation and a communications link with the unrelated buyer. The facts indicate that the activities of the U.S. affiliate were ancillary to these sales (*e.g.*, arranging transportation or customs clearance, invoicing), and therefore, we treated transactions as EP sales. The record in this case indicates that WWAG has correctly classified a portion of its U.S. sales as EP sales. For these sales the unaffiliated U.S. customer communicated directly with WWAG in Germany in placing its order. Wolff Walsrode U.S. (WWUS) acted only as processor of sales-related documentation.

In accordance with sections 782(b), (c) and (d) of the Act, we calculated a CEP for those sales made by affiliated U.S. resellers that took place after importation into the United States. EP and CEP sales were based on the packed C&F, delivered, CIF duty paid, or ex-dock duty paid price to unaffiliated purchasers, in, or for exportation to, the United States. As appropriate, we made deductions for discounts and rebates, including early payment discounts. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included foreign inland freight, foreign brokerage and handling, ocean freight, marine insurance, U.S. customs brokerage, U.S. customs duties, harbor maintenance fees, merchandise processing fees, and U.S. inland freight expenses (freight from port to warehouse and freight from warehouse to the customer). We also added U.S. freight revenue to gross unit price.

For CEP sales, in accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including commissions paid on sales made by unrelated parties, direct selling expenses (credit costs and warranty expenses), inventory carrying costs, and indirect selling expenses, where applicable. We also deducted an amount for CEP profit in accordance with section 772(d)(3) of the Act.

Normal Value

We compared the aggregate quantity of home market and U.S. sales and determined that the quantity of the company's sales in its home market was more than five percent of the quantity of its sales to the U.S. market. Consequently, pursuant to section 773(a)(1)(B) of the Act, we based NV on home market sales.

Section 773(a)(1)(B) of the Act provides that normal value shall be based on the price at which the foreign like product is sold in the usual commercial quantities and in the ordinary course of trade.

We made adjustments for differences in packing in accordance with section 773(a)(6)(A) and 773(a)(6)B(i) of the Act. We also made adjustments for movement expenses, consistent with section 773(a)(6)(B) of the Act, for inland freight. In addition, we made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act, as well as for differences in circumstances of sale (COS) in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. For comparisons to EP, we made COS adjustments by deducting direct selling expenses incurred on home market sales and adding U.S. direct selling expenses. For comparisons to CEP, we made COS adjustments by deducting direct selling expenses incurred on home market sales and adding any direct selling expenses associated with U.S. sales not deducted under the provisions of section 772(d)(1) of the Act. Because WWAG paid commissions on part of its U.S. sales, in calculating NV, we offset these commissions using the weighted-average amount of indirect selling expenses incurred on home market sales for the comparison product, up to the amount of the U.S. commissions. See 19 CFR 351.410(e).

Level of Trade/CEP Offset

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 sales. 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 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 construction sale from the exporter to the importer.

To determine whether NV sales are at a different level of trade than EP or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different 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 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).

In the present case, there are two channels of distribution in the U.S. market. The first channel, direct (EP) sales, are sales of full container load shipments that travel directly from WWAG to the U.S. customer. The second channel involves (CEP) sales from inventory maintained by WWUS in a warehouse.

In the home market, WWAG also has two different distribution channels. The first type of sales are direct sales to primarily end-users where the product is delivered from the plant's storage warehouse to customer. The second home market distribution channel are those sales where delivery is made from independent, off-site warehouses, primarily for geographic and logistical reasons. There are no functional differences in marketing processes and

selling functions along the chain of distribution between those sales shipped directly from the plant and sales from the warehouse. Therefore, we determine that the two home market channels of distribution comprise a single level of trade.

Based on analysis of the different types of selling functions listed by respondent, relevant classes of customers, and selling expenses for both types of sales in the home and U.S. markets, the Department preliminarily determines that EP sales and home market sales are made at the same level of trade. For these sales, WWAG performs similar selling functions in both markets. However, the Department preliminarily determines that CEP sales are made at a different level of trade than EP sales and the home market sales.

In calculating CEP, certain adjustments are made pursuant to Section 772(c) and (d) of the Act. Specifically, Section 772(d) states that the price used to establish constructed export price are adjusted to remove expenses incurred by WWAG and WWUS in selling subject merchandise in the United States including inventory management, freight arrangements, and invoice processing to name a few. Therefore, when selling functions for CEP sales are compared with selling functions for home market sales, home market sales (NV) are more remote from factory than CEP sales (*i.e.*, that NV is at a more advance level of trade than CEP). Therefore a level of trade adjustment is warranted when comparing NV to CEP sales.

Section 773(a)(7)(B) states that a CEP offset is granted when NV is compared to CEP and NV is determined to be at a more advanced level of trade than the CEP, but the data available do not provide an appropriate basis to determine whether the difference in level of trade affects price comparability. *See* 19 CFR 351.412(f).

In the present case, as there is no level in the home market comparable to the CEP level and only one level of trade in the home market, the data does not exist to quantity a level of trade adjustment. As a result, the Department has preliminarily determined to grant WWAG an adjustment to NV in the form of a CEP offset.

Currency Conversion

We made currency conversions in accordance with section 773A of the Act based on the rates certified by the Federal Reserve Bank. *See* Change in Policy Regarding Currency Conversions, 61 FR 9434 (March 8, 1996).

Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following margin exists for the period July 1, 1996, through June 30, 1997:

Manufacturer/exporter	Margin (percent)
Wolff Walsrode AG (WWAG)	6.58

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Interested parties may also request a hearing within ten days of publication. If requested, a hearing will be held as early as convenient for the parties but not later than 44 days after the date of publication or the first work day thereafter. Interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication of this notice. The Department will issue a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such briefs, within 120 days from the publication of these preliminary results.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with the methodology in *Final Results of Antidumping Duty Administrative Review and Partial Termination of Administrative Review: Circular Welded Non-Alloy Steel Pipe from the Republic of Korea* (62 FR 55574, October 27, 1997), we calculated exporter/importer-specific assessment values by dividing the total dumping duties due for each importer by the number of tons used to determine the duties due. We will direct Customs to assess the resulting per-ton dollar amount against each ton of the merchandise entered by these importers during the review period.

Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of industrial nitrocellulose from Germany entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The case deposit rate for the reviewed company will be the rate established in the final results of this administrative review (except no cash deposit will be required where weighted-average margin is *de minimis, i.e.*, less than 0.5 percent); (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in the original less-than-fair-value (LTFV) investigation or a previous review, the cash deposit will continue to be the most recent rate published in the final determination or final results for which the manufacturer or exporter received an individual rate; (3) if the exporter is not a firm covered in this review, a previous review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous reviews or the original investigation, the cash deposit rate will be 3.84 percent, the ''all others'' rate established in the LTFV investigation.

This notice serves as a preliminary reminder to importers of their responsibility to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: April 2, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary, Import Administration.

[FR Doc. 98–9432 Filed 4–8–98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–506]

Porcelain-On-Steel Cooking Ware From The People's Republic of China; Rescission of Antidumping Duty Administrative Review

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

ACTION: Notice of rescission of antidumping duty administrative review.

SUMMARY: On January 26, 1998, the Department of Commerce published in the **Federal Register** (63 FR 3702) its notice of initiation of the administrative review of the antidumping duty order on porcelain-on-steel cooking ware from the People's Republic of China covering