exporter nor the manufacturer is a firm covered in these or any prior reviews, the cash deposit rate will be 14.44 percent (for certain cold-rolled carbon steel flat products) and 17.70 percent (for certain corrosion-resistant carbon steel flat products), the ''all others'' rate established in the LTFV investigations. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative reviews.

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) 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.

These administrative reviews and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: August 31, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–24167 Filed 9–8–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–809]

Certain Cut-to-Length Carbon Steel Plate from Mexico: Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Preliminary Results of Antidumping Duty Administrative Review.

SUMMARY: In response to request from the respondent and petitioners in the original investigation, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain cut-to-length (CTL) carbon steel plate from Mexico. This review covers one manufacturer/exporter of the subject merchandise. The period of review (POR) is August 1, 1996, through July 31, 1997.

We preliminarily determine that sales have been made below normal value (NV). If these preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs to assess antidumping duties based on the difference between export price (EP) and NV.

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

EFFECTIVE DATE: September 9, 1998.

FOR FURTHER INFORMATION CONTACT: Heather Osborne or John Kugelman, Enforcement Group III, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482–3019 (Osborne), 482–0649 (Kugelman).

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act) are references to the provision effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all reference to the Department's regulations are to 19 CFR 351, as published in the **Federal Register** on May 19, 1997 (62 FR 27296).

Background

The Department published an antidumping duty order on certain CTL carbon steel plate from Mexico on August 19, 1993 (58 FR 44165). The Department published a notice of opportunity to request an administrative review of the antidumping duty order for the 1996/97 review period on August 4, 1997 (62 FR 41925). On August 29, 1997, respondent Altos Hornos de México (AHMSA) requested that the Department conduct an administrative review of the antidumping duty order on certain CTL carbon steel plate from Mexico. On September 2, 1997, the petitioners in the original less-than-fair-value (LTFV) investigation (Bethlehem Steel Corporation, Geneva Steel, Gulf Lakes Steel, Inc., of Alabama, Inland Steel Industries Inc., Lukens Steel Company, Sharon Steel Corporation, and U.S. Steel Group (a unit of USX Corporation)) filed a similar request. We published a notice of initiation of the review on September 25, 1997 (62 FR 50292).

Under the Act, the Department may extend the deadline for completion of administrative reviews if it determines that it is not practicable to complete the review within the statutory time limit of 365 days. On March 13, 1998, the Department extended the time limit for the preliminary results in this case. *See Cut-to-Length Carbon Steel Plate from Mexico; Extension of Time Limits for Antidumping Duty Administrative Review,* 63 FR 13216 (March 18, 1998).

The Department is conducting this administrative review in accordance with section 751 of the Act.

Scope of the Review

The products covered in this review include hot-rolled carbon steel universal mill plates (*i.e.,* flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coil and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule (HTS) under item numbers 7208.31.0000, 7208.32.0000, 7208.33.1000, 7208.33.5000, 7208.41.0000, 7208.42.0000, 7208.43.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.11.0000, 7211.12.0000, 7211.21.0000, 7211.22.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included in this review are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.,* products which have been ''worked after rolling''); for example, products which have been beveled or rounded at the edges. Excluded from this review is grade X–70 plate.

These HTS item numbers are provided for convenience and U.S. Customs purposes. The written descriptions remain dispositive.

The POR is August 1, 1996, through July 31, 1997. This review covers entries of certain cut-to-length carbon steel plate by AHMSA.

Verification

As provided in section 782(i)(3) of the Act, we verified information 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 version of the verification report.

Use of Facts Available

We preliminarily determine that, in accordance with sections 776(a)(2)(A) and 776(b) of the Act, the use of facts available is appropriate for AHMSA because it did not cooperate to the best of its ability in the course of this review. As discussed in more detail below, AHMSA failed to provide cost data from its normal accounting system. In addition, AHMSA withheld from the Department information from its normal cost accounting system until the end of verification. Because of these failures, the Department finds that AHMSA failed to comply to the best of its ability with the Department's requests for information.

In its initial Section D questionnaire, the Department specified that the COP and constructed value (CV) figures should be based on the actual costs incurred by the company during the POR and recorded in the normal accounting system. The initial questionnaire also specified that the submitted costs must reconcile to the actual costs recorded in the cost accounting system used by the company to prepare its financial statements. Moreover, the initial questionnaire specified that if the company did not intend to use its normal accounting system and cost allocation methods to compute COP and CV, the company *must* contact us before preparing the response; AHMSA did not contact us before it submitted the response on March 30, 1997. After reviewing AHMSA's response, we noted that the company did not use its normal accounting system to calculate COP and CV data. AHMSA stated in its questionnaire response that the company's normal cost accounting system did not capture costs to the level of detail requested by the Department. Therefore, AHMSA claimed that it was necessary to use its sales pricing model to develop the COP and CV data. AHMSA's sales pricing model is not used in its normal accounting system. Additionally, the sales pricing model accounted for steel-grade cost differences but did not account for any other physical characteristic cost differences (*e.g.*, thickness, width, surface finish).

In accordance with Section 782(d), on April 23, 1997, the Department issued a supplemental questionnaire, which requested AHMSA to explain the sales pricing model and to clarify information about the reported product-specific costs. In response to the Department's supplemental request, AHMSA stated that ''there is no narrower product breakdown of costs. That is, AHMSA does not maintain costs for specific grades of plate.''

On June 5, 1998, in advance of the scheduled COP/CV verification, the Department issued an agenda for the COP/CV verification. The agenda stated that, for selected products, the verifiers were to obtain and review data from AHMSA's normal cost accounting system. At verification, the Department found that AHMSA's normal cost accounting system did distinguish costs at a level more detailed than the level the company submitted in its questionnaire responses (*see* Cost Verification Report, August 27, 1998). Despite the Department's numerous requests during the verification, AHMSA officials withheld its normal cost accounting system product-specific cost records until the end of the verification. Without adequate time to analyze this information, the Department was unable to test the reliability of this data. We noted, however, that the normal cost accounting system costs were significantly different from the submitted grade-specific information.

Additionally, at verification we found that AHMSA's sales pricing model and its reported costs failed to include significant plate production costs for various cost centers. Moreover, the Department was unable to determine whether there were additional cost centers related to plate production that were not included in the reported costs.

Our verification testing and other evidence on the record regarding AHMSA's submitted cost methodology indicate that this methodology significantly distorted AHMSA's reported COP and CV. AHMSA's failure to use the product-specific costs recorded in its normal books and records prevents us from quantifying the magnitude of the distortions which exist in its submitted data. Sections 776(a)(2)(A) and 776(a)(2)(D) of the Act provide that if an interested party or any other person (A) withholds information, (B) fails to provide information within the time or in the form and manner requested, (C) significantly impedes a proceeding under this title, or (D) provides such information but the information cannot be verified, the administering authority, subject to section 782(d) of the Act, shall use the facts available.

Section 782(e) of the Act provides that the Department shall not decline to consider information that is submitted by an interested party and that is necessary to the determination but which does not meet all the applicable requirements established by the Department if—

(1) the information is submitted by the deadline established for its submission,
(2) the information can be verified,
(3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination,
(4) the interested party has demonstrated that it acted to the best of its ability in providing the information and meeting the requirements established by the Department with respect to the information, and
(5) the information can be used without undue difficulties.

AHMSA's failure to reconcile its submitted costs to its financial accounting system constitutes a verification failure under section 776(a)(2)(D) of the Act. We must therefore consider whether the submitted cost data is usable under section 782(e) of the Act.

First, as discussed above, the accuracy of AHMSA's submitted cost data could not be verified, as required by section 776(e)(2) of the Act. Second, because of the flaws in its cost data, which are detailed in the Cost Verification Report, AHMSA's submitted cost data ''cannot serve as a reliable basis for reaching the applicable determination'' under section 776(e)(3) of the Act, nor can it ''be used without undue difficulties'' under section 776(e)(5) of the Act. By its failure to provide cost information that could be reconciled to its normal accounting system, and its failure to give the Department fair notice of this defect, AHMSA has not acted to the ''best of its ability'' to meet the Department's requirements, pursuant to section 782(e)(4) of the Act.

Therefore, the Department has determined that, since AHMSA's cost data could not be verified, section 776(a) of the AHMSA requires the Department to use the facts available with respect to this data. However, the Department must also determine whether (1) the use of facts available for AHMSA's cost data renders the rest of AHMSA's submitted information (*i.e.*, the sales data) not usable, and (2) whether the use of adverse information as facts available is warranted.

First, we have determined that the required use of facts available for

AHMSA's cost data renders its sales data not usable. Because of the flawed nature of the cost data, home market sales cannot be tested to determine whether they were made at prices at or above production cost. Since the Department can only make price-to-price comparisons (NV to EP) using those home market sales that did not fail the cost test, the systematically flawed nature of the cost data makes these comparisons impossible.

In the absence of home market sales data (*i.e.,* when the home market is viable but there are insufficient sales above COP to compare with U.S. sales), the Department would normally resort to the use of CV as NV. However, the CV information reported by AHMSA includes the unverifiable cost data. Therefore, the necessity for use of facts available for COP data precludes the use of the submitted CV information.

The Department's prior practice has been to reject a respondent's submitted information *in toto* when flawed and unreliable cost data renders any price-to-price comparison impossible. *See Notice of Final Determination of Sales at Less than Fair Value: Grain-Oriented Electrical Steel From Italy,* 59 FR 33952 (July 1, 1994) (*Electrical Steel From Italy*) (where the respondent failed the cost verification). The Department explained that the rejection of a respondent's questionnaire response *in toto* is appropriate and consistent with past practice in instances where a respondent failed to provide verifiable COP information. *See also Certain Corrosion-Resistant Carbon Steel Flat Products from Korea: Final Results of Antidumping Duty Administrative Review,* 61 FR 18547, 18559 (April 26, 1996) (use of total BIA warranted where reliable price-to-price comparisons are not possible).

If the Department were to accept verified sales information when a respondent's cost information (a substantial part of the response) does not verify, respondents would be in a position to manipulate margin calculations by permitting the Department to verify only that information which the respondent wishes the Department to use in its margin calculation. AHMSA has provided sales information in proper form which could be verified, but has not provided cost data which could be verified (*see* detailed discussion of verification testing in the Cost Verification Report). Although *Electrical Steel from Italy* involved the use of best information available (BIA) under the prior statute, the Department's practice of regarding verified sales information as unusable when the corresponding cost data is so flawed that price-to-price comparisons are rendered impossible is still valid because the Department's concerns about potential manipulation are unchanged.

Accordingly, we find that there is no reasonable basis for determining NV for AHMSA in this review. As a result, we could not use AHMSA's U.S. sales data in determining a dumping margin. The Department, therefore, had no choice but to resort to total facts available.

With regard to which total facts available are appropriate, section 776(b) of the Act provides that adverse inferences may be used when a party has failed to cooperate by not acting to the best of its ability to comply with requests for information. *See also* the Statement of Administrative Action, H. Doc. 3216, 103rd Cong. 2d Sess. at 870 (1996) (SAA). Specifically, section 776(b) of the Act provides that, where the Department ''finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority [the Department] may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available.'' As discussed above, AHMSA failed to reconcile the reported costs to its normal cost accounting system. Moreover, AHMSA made no effort to provide the Department with notice of this defect. We have thus determined that AHMSA has not acted to the best of its ability to comply with our requests for information. Accordingly, consistent with section 776(b) of the Act, we have applied total adverse facts available.

The statute provides no ''clear obligation'' or preference for relying on a particular source in determining adverse facts available. As determined in *Certain Cut-to-Length Carbon Steel Plate from Sweden: Final Results of Antidumping Review,* 62 FR 18396, at 18398 (April 15, 1997) (*Carbon Steel Plate from Sweden*), the Department may use as facts available the final determination in the LTFV proceeding, even when the LTFV determination is based on best information available. In this case, as adverse facts available we have used the highest rate from any prior segment of the proceeding, 49.25 percent. Because AHMSA is the only company subject to the review of CTL carbon steel plate from Mexico and did not participate in the LTFV investigation, the highest rate is derived from the original petition, and was used as the BIA rate in the LTFV investigation.

Whereas in this review, the Department must base the entire dumping margin for a respondent in an administrative review on the facts available because the respondent failed to cooperate, section 776(b) of the Act authorizes the Department to use an inference adverse to the interests of the respondent in choosing the facts available. Section 776(b) also authorizes the Department to use as adverse facts available information derived from the petition, the final determination, a previous administrative review, or other information placed on the record. The SAA clarifies that information from the petition and prior segments of the proceeding is ''secondary information.'' *See* SAA at 870. If the Department relies on secondary information as facts available, section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate such information using independent sources reasonably at its disposal. The SAA further provides that corroborate means simply that the Department will satisfy itself that the secondary information to be used has probative value. However, where corroboration is not practicable, the Department may use uncorroborated information.

To corroborate the LTFV BIA rate of 49.25 percent, we examined the basis of the rates contained in the petition. The U.S. price in the petition was based on actual prices from invoices, quotes to U.S. customers, and IM–145 import statistics. Additionally, the foreign market value was based on actual price quotations to home market customers, home market price lists, and published reports of domestic prices. Home market price quotations were obtained through a market research report. (*See Initiation of Antidumping Duty Investigations and Postponement of Preliminary Determinations: 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 Various Countries,* 57 FR 33488 (July 29, 1992).) Export prices which are based on U.S. import statistics are considered corroborated. In addition, price lists and published reports of domestic prices which support the petition margin are independent sources. With regard to the normal values contained in the petition, the Department was provided no useful information by the respondent or other interested parties, and is aware of no other independent sources of information that would enable us to further corroborate the margin calculation in the petition. We note that the SAA at 870 specifically states that where ''corroboration may not be

practicable in a given circumstance,'' the Department may nevertheless apply an adverse inference. Based on these reasons, the Department considers the LTFV rate used as adverse facts available in this review to be corroborated.

Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following margin exists for the period September 1, 1996, through August 31, 1997:

Manufacturer/exporter	Margin (percent)
AHMSA	49.25

The Department will issue disclosure documents within five days of the date of publication of this notice. Interested parties may also request a hearing within 30 days of publication. If requested, a hearing will be held as early as convenient for the parties but normally not later than 37 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 5 days after the filing of case briefs. 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 or at a hearing, 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. Upon completion of this review, the Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of certain CTL carbon steel plate from Mexico entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(c) of the Act: (1) The cash deposit rate for the reviewed company will be the rate established in the final results of this review; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in the original investigation of sales at less than fair value (LTFV) or a previous review, the cash deposit 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 or a previous review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be 49.25 percent, the ''all others'' rate established in the LTFV investigation (58 FR 37192, July 9, 1993).

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

This notice also 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 determination is issued and published in accordance with sections 751(a)(1) of the Act (19 U.S.C. 1675(a)) and 19 CFR 351.213.

Dated: August 31, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–24166 Filed 9–8–98; 8:45 am]

BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–808]

Certain Stainless Steel Wire Rod From India; Preliminary Results of Antidumping Duty Administrative and New Shipper Reviews

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

ACTION: Notice of preliminary results of antidumping duty administrative and new shipper reviews.

SUMMARY: In response to a request by Mukand, Ltd. (''Mukand''), respondent, the Department of Commerce (''the Department'') is conducting an administrative review of the antidumping duty order on stainless steel wire rod (''SSWR'') from India. In addition, new shipper reviews were requested by respondents Viraj Group (''Viraj'') and Panchmahal Steel Ltd. (''Panchmahal''). The period of review (POR) is December 1, 1996, through November 30, 1997. At the request of both Viraj and Panchmahal (May 11, 1998), the schedules for the new shipper reviews have been aligned to those of the administrative review of Mukand. *See Letter to Mr. Peter Koenig of Ablondi, Foster, Sobin & Davidow* (May 12, 1998).

We have preliminarily determined that respondents Mukand, Viraj, and Panchmahal have not sold subject merchandise at less than normal value (NV) during the POR. If these preliminary results are adopted in our final results of this administrative review and new shipper reviews, we will instruct U.S. Customs not to assess antidumping duties.

We invite interested parties to comment on these preliminary results. Parties who submit arguments in this proceeding should also submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument.

EFFECTIVE DATE: September 9, 1998.

FOR FURTHER INFORMATION CONTACT: Maria Dybczak (Mukand), Carrie Blozy (Viraj), N. Gerard Zapiain (Panchmahal) or Rick Johnson, AD/CVD Enforcement Group III, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–1398 (Dybczak), (202) 482–0165 (Blozy), (202) 482–1395 (Zapiain), or (202) 482–3818 (Johnson).

SUPPLEMENTARY INFORMATION:

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 by the Uruguay Rounds Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR Part 351 (62 FR 27296; May 19, 1997).

Background

On October 20, 1993, the Department published in the **Federal Register** the antidumping duty order on certain stainless steel wire rods from India (58 FR 54110). On December 5, 1997, the Department published in the **Federal Register** a notice of opportunity to request an administrative review of this antidumping duty order (62 FR 64353). On December 22, respondent Mukand requested that we conduct an administrative review in accordance with 19 CFR 351.213(b). We published the notice of initiation of this antidumping duty administrative review