

withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the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 cash deposit rate for Wolverine will be the rate established in the final results of this review (except that no deposit rate will be required for zero or *de minimis* margins, i.e., margins less than 0.5 percent); (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 original less-than-fair-value (LFTV) 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 manufacturer nor the exporter is a firm covered in this or any previous review, the cash deposit rate will be 8.10 percent, the "all others" rate established in the LTFV investigation. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Furthermore, the Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appraisal instructions directly to the Customs Service. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the determination and for future deposits of estimated duties. For Wolverine, for duty assessment purposes, we calculated importer-specific assessment rates by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total entered value of those same sales. This specific rate calculated for each importer will be used for the assessment of antidumping duties on the relevant entries of subject merchandise during the POR. If for the final results of this review we calculate an assessment rate for Wolverine of less than 0.5 percent *ad valorem*, we will instruct Customs to liquidate Wolverine's entries of subject merchandise during the relevant POR without regard to antidumping duties.

This notice 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.

This administrative review and this notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 351.213, 351.221.

Dated: February 1, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-583-824]

Polyvinyl Alcohol From Taiwan: 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 requests by the petitioner, Air Products and Chemicals, Inc., and by two manufacturers/exporters of subject merchandise, the Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on polyvinyl alcohol ("PVA") from Taiwan. The period of review is May 1, 1997, through April 30, 1998.

We have preliminarily found that no sales of subject merchandise have been made below normal value. If these preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service not to assess antidumping duties on entries subject to this review. Interested parties are invited to comment on these preliminary results. Parties who submit case briefs in this proceeding should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and case cited.

EFFECTIVE DATE: February 8, 1999.

FOR FURTHER INFORMATION CONTACT: Everett Kelly, at (202) 482-4194; or Brian Smith, at (202) 482-1766, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, Washington, D.C. 20230.

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, as amended ("the Act"), by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all references are made to the Department's final regulations at 19 CFR Part 351 (1998).

Case History

On May 14, 1996, the Department published in the **Federal Register** an antidumping duty order on polyvinyl alcohol from Taiwan. See 61 FR 24286. On May 12, 1997, the Department published a notice providing an opportunity to request an administrative review of this order for the period May 1, 1997, through April 30, 1998 (63 FR 26143). On May 27, 1998, we received a request for an administrative review from E.I. du Pont de Nemours & Co. ("DuPont"). On May 29, 1998, we received a request for a review from Chang Chun Petrochemical ("Chang Chun"). On May 29, 1998, the petitioner also requested reviews of Chang Chun and DuPont, and an additional review of Perry Chemical Corporation ("Perry"). On June 29, 1998, we published a notice of initiation of this review for Chang Chun and Dupont (63 FR 35188). We did not initiate a review of the importer Perry because we do not consider Perry to be a manufacturer or exporter of the subject merchandise based on the factors set forth in section 351.401(h) of the Department's regulations (see *Final Results of Antidumping Duty Administrative Review: Polyvinyl Alcohol from Taiwan*, 63 FR 32810, 32813 (June 16, 1998)).

On June 17, 1998, we issued an antidumping questionnaire to Chang Chun and Dupont. The Department received responses from the two companies in September and December 1998. We issued supplemental questionnaires to these companies in October 1998 and January 1999. Responses to these questionnaires were received in November 1998 and January 1999.

On July 24, 1998, Chang Chun requested that the Department clarify and confirm that the scope of the merchandise includes PVA "hydrolyzed in excess of 85 percent whether or not mixed or diluted with defoamer or boric acid." In addition, Chang Chun requested that the Department confirm that the language in the scope of the order is still effective. Chang Chun contended that the language describing

the scope of subject merchandise covered by the antidumping order still controls the scope of review in this proceeding. Pursuant to Chang Chun's request, we confirmed that the scope of the merchandise includes PVA "hydrolyzed in excess of 85 percent whether or not mixed or diluted with defoamer or boric acid." See "Scope of Review" section of this notice for confirmation of the scope of subject merchandise covered by the antidumping duty order and this review.

On August 26, 1998, DuPont requested that the Department apply the special rule set forth in 19 CFR 351.402(c) with respect to its further-manufactured sales in the United States. DuPont claimed that sales of non-further-manufactured subject merchandise should be used as "proxy" sales if the Department deems that there are a sufficient number of such sales to provide a reasonable basis for an accurate dumping margin calculation. Otherwise, DuPont stated that if the Department were to include the further-manufactured sales in its calculations, the results would be unreliable and inaccurate (see "Further Manufactured Sales" section below for further discussion).

On September 25, 1998, DuPont submitted further analysis in support of its contention that the Department should exclude its further-manufactured sales in the preliminary results.

On November 10, 1998, the Department preliminarily determined that the application of the special rule to DuPont's further-manufactured sales was not appropriate. (See Memorandum from the Team to Louis Apple dated November 10, 1998 ("Special Rule Memo").)

Scope of Review

The product covered by this review is PVA. PVA is a dry, white to cream-colored, water-soluble synthetic polymer. This product consists of polyvinyl alcohols hydrolyzed in excess of 85 percent, whether or not mixed or diluted with defoamer or boric acid. Excluded from this review are PVAs covalently bonded with acetoacrylate, carboxylic acid, or sulfonic acid uniformly present on all polymer chains in a concentration equal to or greater than two mole percent, and PVAs covalently bonded with silane uniformly present on all polymer chains in a concentration equal to or greater than one-tenth of one mole percent. PVA in fiber form is not included in the scope of this review.

The merchandise under review is currently classifiable under subheading

3905.30.00 of the *Harmonized Tariff Schedule of the United States* ("HTSUS"). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope is dispositive.

Period of Review

The period of review ("POR") covers the period May 1, 1997, through April 30, 1998.

Fair Value Comparisons

To determine whether sales of the subject merchandise by the respondents to the United States were made at prices below normal value, we compared, where appropriate, the export price ("EP") or constructed export price ("CEP") to the normal value ("NV") as described below. In accordance with section 777A(d)(2) of the Act, we compared, where appropriate, the EPs and CEPs of individual transactions to the monthly weighted-average price of sales of the foreign like product made in the ordinary course of trade.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by Chang Chun and Dupont covered by the description in the "Scope of the Review" section, above, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales made in the home market or third country, where appropriate, within the contemporaneous window period, which extends from three months prior to the month of the U.S. sale through two months after the month of the U.S. sale. Where there were no sales of identical merchandise in the home market or third country 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. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondents in the following order: viscosity, hydrolysis, particle size, tackifier, defoamer, ash, color, volatiles, and visual impurities.

Export Price and Constructed Export Price

For the price to the United States, we used EP or CEP as defined in sections 772(a) and 772(b) of the Act, as appropriate.

We made company-specific adjustments as follows.

Chang Chun

In accordance with sections 772(a) and (c) of the Act, we calculated an EP for all of Chang Chun's sales, since the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation, and CEP was not otherwise warranted based on the facts of record. We calculated EP based on the packed CIF price to unaffiliated purchasers in, or for exportation to, the United States. We made deductions from the starting price for movement expenses in accordance with section 772(c)(2)(A) of the Act; these expenses included domestic inland freight, foreign brokerage and handling, international freight, and marine insurance.

DuPont

We calculated CEP for all sales of subject merchandise, which were made in the United States after importation. We based CEP on packed FOB or delivered prices to unaffiliated purchasers in the United States. As appropriate, we made deductions for discounts and rebates. We also made deductions, where appropriate, for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included U.S. brokerage and handling expenses, U.S. Customs duties (which include harbor maintenance and merchandise processing fees), U.S. warehousing expenses, and U.S. inland freight expenses (freight from port to warehouse and freight from warehouse to the customer).

In accordance with section 772(d)(1) of the Act, we deducted from CEP selling expenses associated with DuPont's economic activities occurring in the United States, including direct selling expenses and indirect selling expenses. We also deducted from CEP an amount for profit and further manufacturing costs in accordance with section 772(d)(3) and section 772(d)(2) of the Act, respectively.

DuPont's Further-Manufactured Sales

DuPont claims that the special rule set forth in section 772(e) of the Act should apply to its further-manufactured sales because the value added is above the Department's 65 percent threshold, and there are a sufficient number of sales of the subject merchandise with no value-added to use as "proxy sales." Further, DuPont states that because of the way in which it reports costs associated with further manufacturing the subject merchandise, including its further-manufactured sales in the Department's dumping analysis would produce unreliable and inaccurate results.

Moreover, the exclusion of its further-manufactured sales from the Department's analysis would not appreciably affect the accuracy of the margin results, and that the burdens of preparing, reporting, and analyzing information for its further-manufactured sales would outweigh any gains from such an analysis. Therefore, DuPont requests that the Department exclude these further-manufactured sales and apply the "Special Rule" set forth in 19 CFR 351.402(c). Finally, Dupont notes in its Section E questionnaire response dated December 7, 1998, that if the Department finds that it must include the selling prices of the further-manufactured product in its margin calculation, it should compare the U.S. price of the further-manufactured product to the CV of that product. According to Dupont, this methodology would result in a more accurate and reliable margin calculation.

For the reasons stated in the November 10, 1998, Special Rule Memo, we disagree with DuPont that including the sales of the subject merchandise that is further-manufactured would necessarily produce unreliable or inaccurate results, or present a burden for the Department to calculate a margin using its normal methodology (see Special Rule Memo for further discussion). Because the purpose of section 772(e) is to reduce the administrative burden on the Department, the Department has the discretion to refrain from applying the special rule in circumstances where, as here, the value-added, while above the 65 percent threshold, is simple to calculate and does not present an administrative burden. Moreover, we do not agree with Dupont that applying our standard methodology will result in inaccurate and distortive results. However, we may revisit our preliminary decision to include the further-manufactured sales in our analysis based on our findings at verification.

Normal Value

In order to determine whether there was 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 U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C)(ii) of the Act. For Chang Chun, we determined that the quantity of foreign like product sold in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States because Chang Chun had

sales in its home market which were greater than five percent of its sales in the U.S. market. Therefore, in accordance with section 773(a)(1)(C) of the Act, we based NV on sales in Taiwan.

For DuPont, in accordance with section 773(a)(1)(B)(ii) and 773(a)(1)(C) of the Act and consistent with our practice, we based NV on the prices at which the foreign like products were first sold for consumption in the respondent's largest third-country market (*i.e.*, Australia) because DuPont did not have sales of the foreign like product in the exporting country during the POR and because Australia was a viable market with respect to DuPont's sales of PVA.

We made company-specific adjustments as follows.

Chang Chun

We calculated NV based on packed, FOB or delivered prices to unaffiliated purchasers in Taiwan. We made adjustments for differences in packing costs in accordance with section 773(a)(6)(A) and (B) of the Act. We also made adjustments, where appropriate, for movement expenses consistent with section 773(a)(6)(B) of the Act; these expenses included inland freight from plant to customer. 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 C.F.R. 351.410. We made COS adjustments by deducting direct selling expenses incurred for home market sales (*i.e.*, credit expenses) and adding U.S. direct selling expenses (*i.e.*, credit expenses and bank charges).

DuPont

We calculated NV based on packed, delivered prices to unaffiliated purchasers in Australia. We made adjustments for movement expenses (*i.e.*, brokerage and handling fees, ocean freight, and inland freight) in accordance with section 773(a)(6)(B) of the Act. 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 COS in accordance with section 773(a)(6)(C)(iii) of the Act and 19 C.F.R. 351.410. We made COS adjustments by deducting direct selling expenses incurred for third-country market sales (*i.e.*, credit expenses) and adding U.S. direct selling expenses (*i.e.*, credit

expenses), where appropriate. Since DuPont was unable to separate packing expenses from its variable cost of manufacture, we made no adjustment for differences in packing expenses. As discussed below in the "Level of Trade" section, we allowed a CEP offset for comparisons made at different levels of trade. To calculate the CEP offset, we deducted from NV the third-country market indirect selling expenses (including inventory carrying costs), capped by the amount of the indirect selling expenses deducted in calculating the CEP under section 772(d)(1)(D) of the Act.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determined NV based on sales in the comparison market at the same level of trade ("LOT") as the EP or CEP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value, that of the sales from which we derive selling, general and administrative expenses and profit. For EP, the LOT is also the level of the starting-price sale, which is usually from the exporter to the importer. For CEP, it is the level of the constructed export sale from the exporter to the affiliated importer.

To determine whether NV sales are at a different LOT than EP or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the customer. If the comparison-market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

Chang Chun reported one channel of distribution for its U.S. and home market sales. Based on our analysis of the selling functions, we found that the selling activities performed in both the home market and the United States were similar. Therefore, we have found that sales in both markets are at the same

LOT and consequently no LOT adjustment is warranted.

DuPont reported one customer category and one channel of distribution for its third-country market sales. For its CEP sales to the United States, it reported three customer categories and three channels of distribution corresponding to each customer category. Based on our analysis, we found that all of its CEP sales comprise a single level of trade.

For Dupont's CEP sales, after making the appropriate deductions under the section 772(d) of the Act, we found that there are no selling expenses or functions associated with selling activities performed by Dupont that are reflected in the CEP price. In contrast, the NV LOT is more remote from the factory than the CEP LOT, and NV prices include the indirect selling expenses attributable to selling activities performed by DuPont for the third-country market such as sales support functions. Accordingly, we have concluded that CEP is at a different LOT from the third-country market LOT.

We then examined whether a LOT adjustment or CEP offset may be appropriate. In this case, DuPont only sold at one LOT in the third-country market; therefore, there is no information available to determine a LOT adjustment between LOTs with respect to the foreign like product. Further, we do not have information which would allow us to examine pricing patterns based on respondent's sales of other products, and there are no other respondents or other record information on which such an analysis could be based. Accordingly, because the data available do not provide an appropriate basis for making a LOT adjustment, but the LOT in the third-country is at a more advanced stage of distribution than the LOT of the CEP, we made a CEP offset adjustment in accordance with section 773(a)(7)(B) of the Act.

Cost of Production Analysis ("COP")

For Chang Chun, because we disregarded sales below the COP in the last completed segment of the proceeding (i.e., the first administrative review), we had reasonable grounds to believe or suspect that sales of the foreign product under consideration for the determination of NV in this review may have been made at prices below the COP, as provided by section 773(b)(2)(A)(ii) of the Act. For DuPont, because DuPont had no sales below the COP in the last review, we did not initiate a COP investigation (see Policy Bulletin No. 94.1, Cost of Production—Standards for Initiation of Inquiry

(March 25, 1994)). Therefore, pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of sales by Chang Chun in the home market.

We conducted the COP analysis described below.

A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP, by grade, based on the sum of the cost of materials and fabrication, selling, general and administrative ("SG&A") expenses, and packing costs. For Chang Chun, we relied on the submitted COPs.

Chang Chun purchased a major input (i.e., vinyl acetate monomer ("VAM")) for PVA from an affiliated party. Section 773(f)(3) of the Act indicates that, if transactions between affiliated parties involve a major input, then the Department may value the major input based on the COP if the cost is greater than the amount (higher of transfer price or market price) that would be determined under section 773(f)(2) of the Act. Section 773(f)(3) of the Act applies if the Department "has reasonable grounds to believe or suspect that an amount represented as the value of such input is less than the COP of such input." The Department generally finds that such "reasonable grounds" exist where it has initiated a COP investigation of the subject merchandise. See *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod from Sweden*, 63 FR 40449, 40454 (July 29, 1998) (Comment 1).

Because a COP investigation is being conducted in this case, the Department requested in its Section D questionnaire that Chang Chun provide COP information for VAM. That cost information was provided by Chang Chun in its Section D response. For purposes of our analysis, we used the per-unit costs as reported by Chang Chun, which included the cost of VAM based on the transfer price, which is a higher price than the market price or its affiliate's COP.

B. Test of Home Market Prices

We compared the weighted-average COP for Chang Chun, adjusted where appropriate, to the comparison 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 the COP within an extended period of time in substantial quantities, and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. On a grade-specific basis, we compared the COP to the

comparison market prices, less any applicable movement charges, discounts, rebates, commissions and other direct and indirect selling expenses.

C. Results of the COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of the respondent's sales of a given product were made at prices below 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 were made at prices below the COP, we disregarded the below-cost sales because such sales were found to be made within an extended period of time in "substantial quantities" in accordance with sections 773(b)(2)(B) and (C) of the Act, and because the below cost sales of the product were at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act.

For Chang Chun, we found that certain comparison-market sales of PVA products were made at below-COP prices in substantial quantities within an extended period of time and at prices which would not permit recovery of costs within a reasonable period of time.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following margin exists for the period May 1, 1997, through April 30, 1998:

Manufacturer/exporter	Margin (percent)
Chang Chun Petrochemical Corporation	0.00
E.I. du Pont de Nemours & Co	0.00

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Any interested party may request a hearing within 30 days of publication. Any hearing, if requested, will be held 44 days after the date of publication or the first business day thereafter.

Issues raised in hearings will be limited to those raised in the respective case briefs and rebuttal briefs. Case briefs from interested parties and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted not later than 30 days and 37 days, respectively, from the date of publication of these preliminary results. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a

brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations and cases cited.

The Department will subsequently issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

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, Room B-099, within 30 days of the date of 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 issues to be discussed.

Cash Deposit and Assessment Requirements

The following deposit requirements will be effective upon publication of the final results of this antidumping duty review for all shipments of PVA from Taiwan, entered or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a) of the Act: (1) the cash deposit rates for the reviewed companies will be those established in the final results of this review; (2) for exporters not covered in this review, but covered in the LTFV investigation or prior reviews, the cash deposit rate will continue to be the company-specific rate from the LTFV investigation or the prior review; (3) if the exporter is not a firm covered in this review, a prior 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) the cash deposit rate for all other manufacturers or exporters will continue to be 19.21 percent, the "All Others" rate made effective by the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

The Department shall determine and the Customs Service shall assess antidumping duties on all appropriate entries. The Department will issue appropriate appraisal instructions directly to the Customs Service upon completion of this review. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties. We will

instruct the Customs Service to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rate calculated in the final results of this review is above *de minimis*. For Chang Chun, for duty assessment purposes, we will calculate importer-specific assessment rates by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total entered value of the same sales. In order to estimate the entered value, we will subtract international movement expenses from the gross sales value. For DuPont, we will calculate an assessment rate by aggregating the dumping margins calculated for all U.S. sales examined and dividing this amount by the total entered value of the sales examined.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) 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) of the Act and 19 CFR 351.213.

Dated: February 1, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99-2996 Filed 2-5-99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-502]

Notice of Preliminary Results of the Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipes and Tubes From India

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

SUMMARY: In response to requests from interested parties, the Department of Commerce is conducting an administrative review of the antidumping duty order on certain welded carbon steel pipes and tubes from India. This review covers one manufacturer/exporter, Rajinder Pipes Ltd. The period of review is May 1, 1997, through April 30, 1998.

We have preliminarily determined that respondent's margin should be based on total adverse facts available. If these preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service to assess antidumping duties based on the selected adverse facts-available rate.

We invite interested parties to comment on these preliminary results. Parties who submit comments in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: February 8, 1999.

FOR FURTHER INFORMATION CONTACT: Larry Tabash at (202) 482-5047 or Robin Gray at (202) 482-4023, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C. 20230.

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 to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to 19 CFR Part 351 (1998).

Case History

On June 29, 1998, the Department published in the **Federal Register** (63 FR 35188) the antidumping duty order on certain welded carbon steel pipes and tubes from India. In accordance with 19 CFR 351.213, we published a notice of initiation of administrative review of this antidumping duty order for the period May 1, 1997, through April 30, 1998. This review covers one manufacturer/exporter, Rajinder Pipes Ltd. (Rajinder). The Department is conducting this administrative review in accordance with section 751(a) of the Act.

On September 17, 1998, the petitioners alleged that Rajinder made home-market sales of subject merchandise at prices below the cost of production (COP). On October 19, 1998, we concluded that petitioners' allegation provided us with reasonable grounds to believe or suspect that Rajinder made below-cost sales in the home market within the meaning of section 773(2)(a)(i) of the Act. Therefore, we initiated a COP investigation of Rajinder's home-market sales. On