

Joseph A. Spetrini to Robert S. LaRussa, Extension of Time Limit for the Preliminary Results of Antidumping Administrative Reviews: Certain Corrosion-Resistant Carbon Steel Flat Products From Japan, dated August 2, 1999, it is not practicable to complete this review within the time limits mandated by section 751(a)(3)(A) of the Act.

Therefore, in accordance with section 751(a)(3)(A) of the Act, the Department is extending the time limits for the preliminary results 7 days to August 9, 1999. The final results continue to be due 120 days after the publication of the preliminary results.

Dated: August 2, 1999.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99-20332 Filed 8-5-99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-828]

Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil: Notice of Amended Final Determination of Antidumping Duty Investigation

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

SUMMARY: In the Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil, 64 FR 38756, 38792 (July 19, 1999) (Hot-Rolled Steel Final Determination) the Department of Commerce (the Department) made an inadvertent error in the suspension of liquidation section. The Department is amending its final determination to clarify that we will instruct Customs to continue the suspension of liquidation of all entries of hot-rolled, flat-rolled, carbon-quality steel products from Brazil pursuant to section 734(h)(2)(B) of the Act.

FOR FURTHER INFORMATION CONTACT: Barbara Chaves at (202) 482-0414 or Linda Ludwig at (202) 482-3833, Antidumping and Countervailing Duty Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are 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's regulations are to the regulations codified at 19 CFR part 351 (1999).

Background

On July 6, 1999, the Department signed a suspension agreement with CSN, USIMINAS, and COSIPA suspending this investigation. Also on July 6, 1999, the Department issued its Hot-Rolled Steel Final Determination as well as the Suspension of Antidumping Duty Investigation: Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil, 64 FR 38792, (July 19, 1999), (Notice of Suspension of Investigation). As correctly stated in the Notice of Suspension of Investigation, we are continuing the suspension of liquidation in accordance with section 734(h)(2)(B). Since the Hot-Rolled Steel Final Determination inadvertently indicated that suspension of liquidation would be terminated, we are issuing this amended final determination to correct the error.

Amendment

We are amending the Hot-Rolled Steel Final Determination as follows: In accordance with section 734(f)(2)(B) of the Act, the suspension of liquidation of entries of the subject merchandise in effect since the publication of the affirmative preliminary determination of the same case on February 19, 1999, shall continue. See Notice of Preliminary Determination of Sales at Less Than Fair Value: Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil, 64 FR 8299 (February 19, 1999). Pursuant to section 734(f)(3) of the Act, the suspension of liquidation of entries of the subject merchandise will terminate at the close of the 20-day period beginning on the day of publication of the Notice of Suspension of Investigation, July 19, 1999 (unless an interested party files a petition with the International Trade Commission for a review of the suspension agreement under such section). In addition, any cash deposits of entries of subject merchandise shall be refunded and any bonds shall be released after the close of such 20-day period.

As provided in section 734(f)(2)(B) of the Act, the Department may adjust the required security to reflect the effect of the agreement. Pursuant to this

provision, the Department has found that the Agreement eliminates completely the injurious effect of imports of subject merchandise. Accordingly, effective as of July 19, 1999, the Department has adjusted the security required from producers and/or exporters to zero. The security rates in effect for nonsignatory producers/exporters remain as published in our final determination.

This amended final determination is issued and published in accordance with sections 735(d) and (e) of the Act.

Dated: July 30, 1999.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99-20343 Filed 8-5-99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-412-803]

Industrial Nitrocellulose From the United Kingdom; 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: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on industrial nitrocellulose (INC) from the United Kingdom in response to a request by the petitioner, Hercules Incorporated. This review covers one manufacturer/exporter of the subject merchandise to the United States during the period of July 1, 1997 through June 30, 1998. Based on our analysis, the Department has preliminarily determined that a dumping margin exists for the manufacturer/exporter during the period of review (POR). If these preliminary results are adopted in our final results of administrative review, we will instruct the United States Customs Service (Customs) to assess antidumping duties as appropriate. Interested parties are invited to comment on these preliminary results. Parties who submit comments in this proceeding are requested to submit with each comment (1) a statement of the issue, and (2) a brief summary of the comment.

EFFECTIVE DATE: August 6, 1999.

FOR FURTHER INFORMATION CONTACT:

Thomas F. Futtner or Ron Trentham, AD/CVD Enforcement, Group II, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3814 and (202) 482-6320, respectively.

Applicable Statute and Regulations

Unless otherwise stated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions as of January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations refer to the regulations codified in 19 CFR Part 351 (April 1998).

SUPPLEMENTARY INFORMATION:**Background**

On July 10, 1990, the Department published in the **Federal Register** (55 FR 28270) the antidumping duty order on INC from the United Kingdom. On July 1, 1998, the Department published a notice of "Opportunity to Request an Administrative Review" of this antidumping duty order for the period of July 1, 1997 through June 30, 1998 (63 FR 35909).

In accordance with 19 CFR 351.221, the petitioner requested that the Department conduct an administrative review of sales of subject merchandise made by respondent, Imperial Chemical Industries PLC (ICI). We published a notice of initiation of this antidumping duty administrative review on August 27, 1998. See *initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 63 FR 45796, August 27, 1998.

Under Section 751(a) of the Act, the Department may extend the deadline for completion of an administrative review if it determines that it is not practicable to complete the review within the established time limit. On April 6, 1999, the Department published in the **Federal Register** a notice extending the time for the preliminary results from April 2, 1999, until July 31, 1999. See *Industrial Nitrocellulose From the United Kingdom: Notice of Extension of Preliminary Results of Antidumping Duty Administrative Review*, 64 FR 16707, April 6, 1999.

Scope of the Review

Imports covered by this review are shipments of INC from the United Kingdom. INC is a dry, white, amorphous, synthetic chemical with a nitrogen content between 10.8 and 12.2

percent, which 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 has a nitrogen content of greater than 12.2 percent. INC is currently classified under Harmonized Tariff System (HTS) item number 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.

Fair Value Comparisons

To determine whether sales of INC from the United Kingdom to the United States were made at less than fair value (LTFV), we compared the constructed export price (CEP) to the normal value (NV), as described in the "Constructed Export Price" and "Normal Value" sections of this notice, below. When making produce comparisons in accordance with section 771(16) of the Act, we considered all products as covered by the "Scope of Review" section of this notice, above, that were sold by the respondent in the home market in the ordinary course of trade during the POR for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales of the identical or the most similar merchandise made in the home market that were suitable for comparison, we compared U.S. sales to sales of the next most similar foreign like product, based on the characteristics listed in Section B and C of our antidumping questionnaire.

Constructed Export Price

ICI initially reported U.S. sales as export price (EP) sales. However, in a previous segment of this proceeding, the Department determined that ICI's U.S. sales were CEP transactions. See *Industrial Nitrocellulose From the United Kingdom; Notice of Final Results of Antidumping Duty Administrative Review*, 64 FR 6609, February 10, 1999. In response to the Department's supplemental questionnaire of February 17, 1999, ICI reported all of its U.S. sales as CEP transactions.

In calculating price to the United States price for ICI, the Department used CEP, as defined in section 772(b) of the Act because all sales to the first unaffiliated purchaser in the United States took place after importation. We calculated CEP based on packed, factory prices to unaffiliated customers in the United States. We made deductions from the starting price, where appropriate, for rebates, international

freight, marine insurance, U.S. brokerage and handling, U.S. inland freight, U.S. duties, and direct and indirect selling expenses to the extent that they were associated with economic activity in the United States. These included credit expenses and commissions as applicable, in accordance with sections 772(c)(2) and 772(d)(1) of the Act. Finally, we made an adjustment for CEP profit in accordance with sections 772(d)(3) and 772(f) of the Act.

For INC that was imported by a U.S. affiliate of ICI and then further processed into lacquer, sealer, and primer products before being sold to unaffiliated parties in the United States, we determined that the special rule for merchandise with value added after importation under section 772(e) of the Act applied. Where appropriate, in accordance with Section 772(d)(2) of the Act, the Department also deducts from CEP the cost of any further manufacture or assembly in the United States, except where the special rule provided in Section 772(e) of the Act is applied. Section 772(e) of the Act provides that, where the subject merchandise is imported by an affiliated person and the value added in the United States by the affiliated person is likely to exceed substantially the value of the subject merchandise, we shall determine the CEP for such merchandise using the price of identical or other subject merchandise sold in the United States if there is a sufficient quantity of sales to provide a reasonable basis for comparison. If there is not a sufficient quantity of such sales or if we determine that using the price of identical or other subject merchandise is not appropriate, we may use any other reasonable basis to determine the CEP.

To determine whether the value added is likely to exceed substantially the value of the subject merchandise, we estimated the value added, pursuant to § 351.401(c)(2) of the Department's regulations, based on the difference between the averages of the prices charged to the first unaffiliated purchaser for the merchandise as sold in the United States and the averages of the prices paid for the subject merchandise by the affiliated person. Based on this analysis, we determined that the estimated value added in the United States by ICI's U.S. affiliate accounted for at least 65 percent of the price charged to the first unaffiliated customer for the merchandise as sold in the United States. Therefore, in accordance with § 351.402(c)(2), we determined that the value added is likely to exceed substantially the value of the subject merchandise. We also

determined that there was a sufficient quantity of sales of identical merchandise available in the U.S. market to provide a reasonable basis for comparison and that the use of such sales is appropriate in accordance with 772(e). Accordingly, for purposes of determining dumping margins for these sales, we have used the weighted-average dumping margins calculated on sales of identical merchandise sold to unaffiliated persons in the United States. See § 351.402(c)(3). Discussion of the information which the Department used in making these determinations is not possible due to its proprietary nature. For a complete discussion, see Memorandum on Whether to Determine the Constructed Export Price for Certain Further-Manufactured Sales Sold by Imperial Chemical Industries PLC (ICI) in the United States During the Period of Review Under Section 772(e) of the Act dated July 31, 1999.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the EP or CEP transactions. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value (CV), that of the sales from which we derive selling, general and administrative (SG&A) expenses and profit. For EP, the U.S. 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 sale from the exporter to the importer. See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997) (*Carbon Steel Plate*).

To evaluate the LOT, we examined information regarding the distribution systems in both the U.S. and U.K. markets, including the selling functions, classes of customer, and selling expenses for the respondent. Customer categories such as distributors, retailers, or end-users are commonly used by petitioners and respondents to describe different LOT's but, without substantiation, they are insufficient to establish that a claimed LOT is valid. An analysis of the chain of distribution and the selling functions substantiates or invalidates the claimed LOTs.

Our analysis of the marketing process in both the home market and the United States begins with goods being sold by the producer and extends to the sale of the final user. The chain of distribution between the producer and the final user

may have many or few links, and each respondent's sales occur somewhere along this chain. We review and compare the distribution systems in the home market and the United States, including selling functions, class of customer, and the extent and level of selling expenses for each claimed LOT.

Unless we find that there are different selling functions for sales to the U.S. and home market sales, we will not determine that there are different LOTs. Different LOTs necessarily involve differences in selling functions, but differences in selling functions, even substantial ones, are not sufficient alone to establish a difference in the LOTs. Differences in LOTs are characterized by purchasers at different stages in the chain of distribution and sellers performing qualitatively different functions in selling to them. If the comparison-market sale is 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 a 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).

ICI did not claim a LOT adjustment. Nevertheless, we evaluated whether a LOT adjustment was necessary by examining the ICI's distribution system, including selling functions, classes of customers, and selling expenses. In reviewing ICI's home market distribution channels, we found that the POR sales of the merchandise under review in the comparison market were made at only one LOT. With respect to U.S. sales, after making deductions to the CEP sales pursuant to section 772(d) of the Act, we found the selling activities performed by ICI for the CEP sales to its affiliate were limited to order processing and arranging transportation. Therefore, we found that the selling functions performed at the CEP LOT were sufficiently different from the selling functions performed at the NV LOT (*i.e.*, sales solicitation, price negotiation, customer visits, advertising, technical support, invoicing, and billing adjustment) to consider these to be different LOTs. We, therefore, evaluated whether the difference in LOT affected price comparability. The effect on price comparability must be demonstrated by a pattern of consistent price differences

between sales at the two relevant LOTs in the comparison market. Because there was only one home market LOT, we were unable to determine whether there was a pattern of consistent price differences based on home market sales of subject merchandise.

The Statement of Administrative Action (SAA) provides that, "if information on the same products and company is not available, the LOT adjustment may also be based on sales of other products by the same company. In the absence of any sales, including those in recent time periods, to different LOTs by the exporter or producer under investigation, the Department may further consider the selling expenses of other producers in the foreign market for the same product or other products." See SAA at 830. In accordance with the SAA, we have considered alternative sources of information to make the necessary LOT adjustment, but we did not have information on the record that would allow us to examine or apply these alternative methods for calculating a LOT adjustment. Therefore, we do not have an appropriate basis to determine a LOT adjustment.

Because we have found that all of the comparison sales in the home market were at a more advanced LOT than the sales to the United State, we were unable to qualify a LOT adjustment based on a pattern of consistent price differences, in accordance with section 773(a)(7)(B) of the Act. Therefore, we have preliminarily determined to grant a CEP offset to ICI. See Memorandum Regarding industrial Nitrocellulose from the United Kingdom-Level of Trade Analysis-Imperial Chemical Industries, PLC, August 2, 1999.

Normal Value

1. Home-Market Viability

In order to determine whether there was a sufficient volume of sales of INC in the home market to serve as a viable basis for calculating normal value, we compared ICI'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)(B) of the Act. Because the aggregate volume of home market sales of the foreign like product by ICI was greater than five percent of the respective aggregate volume of U.S. sales of the subject merchandise, we determined that the home market provides a viable basis for calculating NV for ICI's home market sales.

2. Arm's-Length Transactions

Sales to an affiliated customer in the home market which were determined

not to be at arm's length were excluded from our analysis. To test whether these sales were made at arm's length, we compared the prices of sales of comparison products to affiliated and unaffiliated customers, net of all movement charges, direct selling expenses, discounts, and packing. Pursuant to section 351.403 of the Department's regulations, where prices to the affiliated party were on average less than 99.5 percent of the price to unaffiliated parties, we determined that the sales made to the affiliated party were not at arm's length. Therefore, we disregarded all sales to that home market customer. See 19 CFR 351.403(c) and Preamble to the Department's regulations, 62 FR at 27355.

Price-to-Price Comparisons

In accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in the exporting country in the usual commercial quantities and in the ordinary course of trade and, to the extent practicable, at the same LOT as the CEP sale. In accordance with section 773(a)(6) of the Act, where applicable, we made adjustments to home market prices for discounts and movement expenses (inland freight). Under section 773(a)(6)(C)(iii) of the Act, the Department adjusts for differences in circumstances of sales (COS) between the home market and CEP transactions in the United States. We reduced home market prices by an amount for home market credit pursuant to section 351.410(c) of the Department's regulations. We also made adjustments for indirect selling expenses incurred in the comparison market or U.S. sales where commissions were granted on sales in one market but not in the other (the commission offset), pursuant to section 351.410(e). In addition, based on our determination as the ICI's LOT (see "Level of Trade" section of this notice), we made a CEP offset adjustment pursuant to section 773(a)(7)(B) of the Act. See *Carbon Steel Plate*, 62 FR at 61732. To adjust for differences in packing between the two markets, we deducted HM packing costs and added U.S. packing costs under section 773(a)(6) of the Act. In addition, we made adjustments, where appropriate, for differences in costs attributable to physical differences of the merchandise (DIFMER) pursuant to section 773(a)(6)(C)(ii) of the Act.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following weighted-average dumping

margin exists for the period covering July 1, 1997 through June 30, 1998:

Manufacturer/exporter	Margin (percent)
Imperial Chemical Industries PLC	19.87

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within 5 days of the date of publication of this notice. Any interested party participating in the proceeding may request a hearing within 30 days of the date of publication of this notice. A hearing, if requested, will be held two days after the date the rebuttal briefs are filed or the first business day thereafter. Parties who submit arguments in this proceeding are requested to submit with each argument: (1) a statement of the issue and (2) a brief summary of the argument. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, which are limited to issues raised in the case briefs, may be filed not later than seven days after the case briefs are filed.

The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of the issues raised in any written comments or at the hearing, within 120 days from the publication of these preliminary results.

Upon issuance of the final results of this review, the Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. The Department will issue appraisal instructions directly to Customs. We have calculated importer-specific *ad valorem* duty assessment rates for the subject merchandise based on the ratio of the total amount of importer-specific antidumping duties calculated for the examined sales to the total entered value of the sales used to calculate those duties. These rates will be assessed uniformly on all entries made by particular importers during the POR.

Furthermore, the following cash deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of INC from the United Kingdom 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 cash deposit rate for the reviewed company will be the rate

established in the final results of this administrative review; (2) for exporters not covered in this review, but covered in the original LTFV investigation or a previous review, the cash deposit rate will continue to be the company-specific rate published in the most recent period; (3) if the exporter is not a firm covered in this review, 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) if neither the exporter nor the manufacturer is a firm covered in this or any previous reviews or the LTFV investigation, the cash deposit rate will be 11.13 percent, the "all-others" rate established in the LTFV investigation. See 55 FR 21058, May 22, 1990. These 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(f) of the Department's regulations 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 sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 2, 1999.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99-20345 Filed 8-5-99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-501]

Continuation of Antidumping Duty Order: Natural Bristle Paint Brushes From the People's Republic of China

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

ACTION: Notice of continuation of antidumping duty order: Natural bristle paint brushes from the People's Republic of China.