a hearing, not later than 120 days after the date of publication of this notice.

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the following deposit rates will be effective with respect to all shipments of sulfanilic acid from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this review, as provided for by section 751(a)(2)(c) of the Act: (1) The cash deposit rate for reviewed companies listed above will be the rates for those firms established in the final results of this review; (2) for companies previously found to be entitled to a separate rate and for which no review was requested, the cash deposit rate will be the rate established in the most recent review of that company; (3) for all other PRC exporters of subject merchandise, the cash deposit rate will be the China-wide rate of 85.20 percent; and (4) the cash deposit rate for non-PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under section 351.402 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 notice are in accordance with sections 751(a)(1) and 771 (i)(1) of the Act.

Dated: August 31, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–23324 Filed 9–7–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–834–803]

Titanium Sponge From the Republic of Kazakhstan; Notice of 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 a request from Titanium Metals Corporation, the Department of Commerce (the Department) is conducting an administrative review of the antidumping finding on titanium sponge from the Republic of Kazakhstan (Kazakhstan). This notice of preliminary results covers the period August 1, 1997 through July 31, 1998. This review covers one manufacturer/exporter and one trading company.

We preliminarily determine that no sales were made below normal value during this review period. If this preliminary result is adopted in our final results of administrative review, we will instruct the U.S. Customs Service to liquidate entries during the period of review (POR) without regard to dumping duties. Interested parties are invited to comment on this preliminary result. Parties who submit arguments 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 8, 1999.

FOR FURTHER INFORMATION CONTACT: Mark Manning, Office of AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–3936.

Applicable Statute

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 citations to the Department's regulations are to 19 CFR Part 351 (1998).

Background

The Department published an antidumping finding on titanium sponge from the Union of Soviet Socialist Republics (U.S.S.R.) on August 28, 1968 (33 FR 12138). In December 1991, the U.S.S.R. divided into fifteen independent states. To conform to these changes, the Department changed the original antidumping finding into fifteen findings applicable to each of the former republics of the U.S.S.R. (57 FR 36070, August 12, 1992).

On August 28, 1998, Titanium Metals Company (Timet) requested that the Department conduct an administrative review of the antidumping finding on titanium sponge from Kazakhstan for one manufacturer/exporter, Ust-Kamenorgorsk Titanium and Magnesium Plant (UKTMP), and one trading company, Specialty Metals Corporation (SMC), covering the period August 1, 1997 through July 31, 1998. The Department published a notice of initiation of the review on September 29, 1998 (63 FR 51893). Due to the complexity of the legal and methodological issues presented by this review, the Department postponed the date of the preliminary results of review on May 10, 1999 (64 FR 25024). The Department is conducting this administrative review in accordance with section 751 of the Act.

On August 13, 1998, the International Trade Commission (ITC) published in the **Federal Register** its determination that revocation of the findings covering titanium sponge imports from Kazakhstan, the Russian Federation (Russia), and Ukraine and the antidumping duty order covering imports of titanium sponge from Japan is not likely to lead to continuation or recurrence of material injury to an industry in the United States. Due to this determination the Department has revoked the finding covering titanium sponge imports from Kazakhstan. This revocation is effective as of August 13, 1998, the date of publication in the **Federal Register** of the ITC's determinations. *See Notice of Revocation of Antidumping Findings and Antidumping Duty Order and Termination of Five-Year (''Sunset'') Reviews: Titanium Sponge from Kazakhstan, Russia, Ukraine, and Japan,* 63 FR 46215 (August 31, 1998).

Scope of Review

The product covered by this administrative review is titanium sponge from Kazakhstan. Titanium sponge is chiefly used for aerospace vehicles, specifically, in construction of compressor blades and wheels, stator blades, rotors, and other parts in aircraft gas turbine engines. Imports of titanium sponge are currently classifiable under the harmonized tariff schedule (HTS)

subheading 8108.10.50.10. The HTS subheading is provided for convenience and U.S. Customs purposes. Our written description of the scope of this proceeding is dispositive.

Separate Rates Determination

To establish whether a company operating in a nonmarket economy (NME) is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity under the test established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China,* 56 FR 20588 (May 6, 1991) (*Sparklers*), as amplified by the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China,* 59 FR 22585 (May 2, 1994) (*Silicon Carbide*). Under this policy, exporters in NMEs are entitled to separate, company-specific margins when they can demonstrate an absence of government control, both in law and in fact, with respect to export activities. Evidence supporting, though not requiring, a finding of *de jure* absence of government control over export activities includes: (1) An absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and, (3) any other formal measures by the government decentralizing control of companies. *De facto* absence of government control over exports is based on four factors: (1) Whether each exporter sets its own export prices independently of the government and without the approval of a government authority; (2) whether each exporter retains the proceeds from its sales and makes independent decisions regarding the disposition of profits or financing of losses; (3) whether each exporter has the authority to negotiate and sign contracts and other agreements; and, (4) whether each exporter has autonomy from the government regarding the selection of management. *See Silicon Carbide,* 59 FR at 22587 and *Sparklers,* 56 FR at 20589.

In the final results of the 1996–1997 review of titanium sponge from Kazakhstan, the Department granted a separate rate to UKTMP and SMC. *See Titanium Sponge From the Republic of Kazakhstan: Final Results of Antidumping Duty Administrative Review* (64 FR 1598, January 11, 1999). While UKTMP and SMC received a separate rate in the previous segment of this proceeding, it is the Department's policy that separate rates questionnaire responses must be evaluated each time a respondent makes a separate rate claim, regardless of any separate rate the respondent received in the past. *See Manganese Metal from the People's Republic of China, Final Results and Partial Recission of Antidumping Duty Administrative Review,* 63 Fed. Reg. 12441 (March 13, 1998). In the instant review, UKTMP and SMC submitted a complete response to the separate rates section of the Department's questionnaire. The evidence submitted in this review by UKTMP and SMC, which is consistent with the Department's findings in the previous review, is sufficient to demonstrate independence from the government entity. We therefore preliminarily determine that UKTMP and SMC continue to be entitled to a separate rate.

Export Price

In accordance with section 772(a) of the Act, the Department calculated an export price (EP) on sales to the United States, because use of constructed export price was not warranted. For date of sale, we used the sales invoice date because this is the date when the price and quantity are set. We excluded those sales made to the United States which the respondents identified as having entered the United States under temporary importation bond (TIB). At this time, because merchandise entered under a TIB is not entered for consumption, such merchandise is not subject to the antidumping finding. *See Titanium Metals Corp.* v. *United States,* 901 F. Supp 362 (CIT 1995).

We calculated export price based on the price to unaffiliated purchasers in the United States. We made deductions, where appropriate, for foreign inland freight, insurance, ocean freight, and brokerage and handling. SMC did not claim any other adjustments to EP, nor were any other adjustments allowed.

Surrogate Country Selection

For companies located in NME countries, section 773(c)(1) of the Act provides that the Department shall determine normal value (NV) using a factors of production methodology if (1) the subject merchandise is exported from an NME country, and (2) available information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value, in accordance with Section 773(a) of the Act. Section 351.408 of the Department's regulations sets forth the Department's methodology for calculating the NV of merchandise from NME countries.

The Department has treated Kazakhstan as an NME country in every past case involving this country. Since none of the parties to these proceedings contested such treatment in this review, we calculated NV for the instant review in accordance with section 773(c) of the Act and section 351.408 of the Department's regulations.

In accordance with section 773(c)(3) of the Act, the factors of production (FOP) utilized in producing titanium sponge include, but are not limited to—(A) hours of labor required, (B) quantities of raw materials employed, (C) amounts of energy and other utilities consumed, and (D) representative capital cost, including depreciation. In accordance with section 773(c)(4) of the Act, the Department valued the FOP, to the extent possible, using the cost of the FOP in a market economy that is—(A) at a level of economic development comparable to Kazakhstan, and (B) a significant producer of comparable merchandise. We determined that Egypt is comparable to Kazakhstan in terms of per capita gross national product, the growth rate in per capita income, and the national distribution of labor. Furthermore, Egypt is a significant producer of aluminum, a product comparable to titanium sponge. For a further discussion of the Department's selection of Egypt as the surrogate country, *see Memorandum to the File, ''1997–1998 Administrative Review of the Antidumping Finding on Titanium Sponge from Kazakhstan; Selection of a Surrogate Country,''* dated June 24, 1999, which is on file in the Central Records Unit, Room B099 of the Main Commerce building (CRU—Public File).

Normal Value

In accordance with section 773(c)(1) of the Act, for purposes of calculating normal value (NV), we valued Kazakhstan's FOP based on data for the POR. Surrogate values that were in effect during periods other than the POR were inflated or deflated, as appropriate, to account for price changes between the effective period and the POR. We calculated the inflation or deflation adjustments for all factor values, except labor, using the wholesale price indices for Egypt and Indonesia, where appropriate, that were reported in the IMF's publication, *International Financial Statistics.* We valued Kazakhstan's FOP as follows (for further discussion of our preliminary analysis, *see Analysis Memorandum for the Preliminary Results of Administrative Review,* dated August 31, 1999, which is on file in the CRU—Public File.):

- Except as noted below, we valued raw materials using Egyptian import data from the Commodity Trade Statistics Section, United Nations Statistics Division, (UN import statistics) for the calendar year 1997. We

adjusted certain factor values to reflect the actual purity used in the production of the subject merchandise. Since UKTMP purchased titanium slag from both market and non-market economy suppliers, consistent with the Department's practice, we valued this input using the market economy price, regardless of the supplier. The most recent Egyptian import statistics that we were able to find for pitch coke and chlorine were Egypt's 1994 and 1996 UN import statistics, respectively. Since the UN statistics are reported in U.S. dollars, we did not adjust these values for the effects of inflation. We were unable to find information from Egypt in order to value carnallite and spent electrolyte. For carnallite, we used the 1995 Egyptian UN import statistics for dolomite, a commodity similar to carnallite, as the surrogate value. In order to value spent electrolyte, we used the surrogate value for potassium chloride because spent electrolyte is 75 percent potassium chloride. The surrogate value for potassium chloride was obtained from Egypt's 1997 UN import statistics.

- Pursuant to section 351.408(c)(3) of the Department's regulations, we valued labor by using the regression-based wage rate for Kazakhstan as posted on the Import Administration Internet web site.
- Although the respondents placed on the record an Egyptian electricity rate for large industrial consumers, they did not provide any source documentation to substantiate this rate. Therefore, we valued electricity in the instant review with the Indonesian surrogate value for electricity used in the 1996–1997 administrative review of this finding. In that review, we used the ''extra large industry user'' rate from Indonesia's electricity tariff schedule that UKTMP would have received had it been an electricity consumer in Indonesia during the POR. Since this rate is from 1994, and is expressed in Indonesian rupiahs, we adjusted this rate in order to account for the effects of inflation.
- We were unable to obtain a surrogate value from Egypt for steam. Since steam was not valued as a factor of production in the 1996–1997 administrative review of this finding, we have used the surrogate for electricity, as discussed above, to value this energy input.
- UKTMP states that it incurred handling and reloading charges for merchandise transited through the port in St. Petersburg, Russia. We were unable to find a surrogate value from Egypt for handling and reloading charges. Since these expenses were incurred in Russia, we valued them, consistent with the 1996–1997 review of titanium sponge from Kazakhstan, with the surrogate value used in the 1996–1997 administrative review of the antidumping finding on titanium sponge from the Russian Federation (titanium sponge from Russia). In that review, we determined that Venezuela was an appropriate surrogate country for Russia. However, since we were unable to locate a Venezuelan surrogate value for handling charges, we valued these charges with the surrogate value from the 1995–1996 administrative review of titanium sponge from Russia. In the 1995–1996 review, we valued these charges using the brokerage and handling charges reported in the public record of the antidumping administrative review of silicon metal from Brazil. Therefore, in the instant review, we valued the handling and reloading charges incurred by UKTMP in Russia with the weighted-average brokerage and handling expenses reported in the public record of the 1997–1998 administrative review of the antidumping duty order on silicon metal from Brazil.
- We valued truck and rail transportation in Kazakhstan using Egyptian truck and rail surrogate values obtained by the respondents. With respect to truck transportation, the respondents provided a schedule of trucking fees covering transport of cargo between various cities throughout Egypt. We used the price per kilometer per metric ton rate from the Ramadan City-to-Cairo fee because the distance between these two cities most closely matches the distance cargo traveled by truck in Kazakhstan. In regard to rail transportation, the respondents provided a schedule of rail fees covering transport of cargo between various cities throughout Egypt. We used the price per kilometer per metric ton rate from the city-to-city fees that most closely matched the distances cargo traveled by rail in Kazakhstan.
- UKTMP shipped its sales of titanium sponge to the United States via rail through Russia. We valued this transportation with the surrogate value for rail transportation used in the 1996–1997 administrative review of titanium sponge from Russia, which is the most recently completed review of that finding. In that review, we valued transportation via the Russian rail lines using the Venezuelan Bolivares price per metric ton per kilometer quoted by the national Venezuelan railroad system administrator. Since the correspondence containing the price quote was issued during the instant review's POR, we did not adjust this rate to account for the effects of price changes.
- In regard to packing materials, we used the 1997 UN import statistics from Egypt that were provided by the respondent for polyethylene film, argon, and sheet steel. Since the UN data is reported in U.S. dollars, we did not adjust for the effects of inflation. We valued labor used in packing with the above-referenced regression-based labor rate for Kazakhstan.
- The respondents placed on the record the financial statements from three Egyptian aluminum companies. One of the three companies is a primary aluminum producer while the other two are aluminum products producers. Since primary aluminum producers use a production process that is closer to the process used to produce titanium sponge than producers of aluminum products, we normally prefer to use the financial statements from primary aluminum producers in our calculation of factory overhead, selling, general and administrative (SG&A) expense, and profit. However, the financial statements from the Egyptian primary aluminum producer did not contain enough detail to be used in our calculations. Similarly, the financial statements from one of the two aluminum products producers lacked sufficient detail to be used in our calculations. Therefore, we calculated the ratios used in our valuation of overhead, SG&A, and profit with the 1998 financial statements from Arab Aluminum Co., an Egyptian producer of aluminum products.

Currency Conversion

We made currency conversions in accordance with section 773A(a) of the Act, based on exchange rates certified by the Federal Reserve Bank and Dow Jones Business Information Services.

Preliminary Results of the Review

SMC owns 65 percent of UKTMP and manages the operations of UKTMP under a long-term management contract. Due to SMC's equity ownership in UKTMP, we considered SMC and UKTMP to be affiliated for the purpose of the antidumping statute and regulations. During the POR, UKTMP sold titanium sponge to SMC who then resold the merchandise to unaffiliated purchasers in the United States. Because this was the only channel of distribution for sales to the United States, we calculated one rate that will apply to both SMC and UKTMP. As a result of our review, we preliminarily determine that the following margin exists for the period August 1, 1997 through July 31, 1998:

Manufacturer/Exporter	Period	Margin (percent)
Specialty Metals Company/Ust-Kamenogorsk Titanium and Magnesium Plant	8/1/97–7/31/98	00.00

Within 5 days of the date of publication of this notice, in accordance with 19 CFR 351.224, the Department will disclose its calculations. Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing, if requested, will be held 37 days after the publication of this notice, or the first workday thereafter. Interested parties may submit written comments (case briefs) within 30 days of the date of publication of this notice in accordance with 19 CFR 351.309(c)(2). Rebuttal comments (rebuttal briefs), which must be limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication. The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of issues raised by the parties, within 120 days of publication of this preliminary result.

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review.

Duty Assessment Rates

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), we have calculated an importer-specific *ad valorem* duty assessment rate based on the ratio of the total amount of the dumping margins calculated for the examined sales to the total entered value of those same sales. In order to estimate the entered value, we subtracted international movement expenses from the gross sales value. This rate will be assessed uniformly on all entries of that specific importer made during the POR. In accordance with 19 CFR 351.106 (c)(2), we will instruct the Customs Service to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis*, i.e., less than 0.5 percent. The Department will issue appraisement instructions directly to the Customs Service.

Cash Deposit Requirements

Pursuant to the ITC's determination that revocation of the finding covering titanium sponge imports from Kazakhstan is not likely to lead to continuation or recurrence of material injury to an industry in the United States, the Department revoked this finding on August 31, 1998, with an effective date of August 13, 1998. Since the revocation is currently in effect, current and future imports of titanium sponge from Kazakhstan shall be entered into the United States without regard to antidumping duties. Therefore, we will instruct Customs not to suspend future entries and to liquidate all future entries of this product, from Kazakhstan, without regard to antidumping duties.

Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under section 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 notice is in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 1677f(i)(1)).

Dated: August 31, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–23328 Filed 9–7–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–201–810]

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

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

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain cut-to-length carbon steel plate from Mexico for the period January 1, 1997 through December 31, 1997. For information on the net subsidy for the reviewed company as well as for non-reviewed companies, please see the *Preliminary Results of Review* section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to assess countervailing duties as detailed in the *Preliminary Results of Review* section of this notice. Interested parties are invited to comment on these preliminary results. (*See* the *Public Comment* section of this notice.)

EFFECTIVE DATE: September 8, 1999.

FOR FURTHER INFORMATION CONTACT: Norbert Gannon or Eric B. Greynolds, Office of AD/CVD Enforcement VI, Import Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On August 17, 1993, the Department published in the **Federal Register** (58 FR 43755) the countervailing duty order on certain cut-to-length carbon steel plate from Mexico. On August 11, 1998, the Department published a notice of ''Opportunity to Request an Administrative Review'' (63 FR 42821) of this countervailing duty order. We received a timely request for review from Altos Hornos de Mexico, S.A. (AHMSA), the respondent company to this proceeding. On September 29, 1998, we initiated the review, covering the period January 1, 1997 through December 31, 1997 (63 FR 51893). On November 13, 1998, petitioners submitted new subsidy allegations. Based on the information submitted by petitioners, we initiated an investigation of nine of the ten new subsidy allegations made by petitioners. On May 6, 1999, we extended the period for completion of the preliminary results pursuant to section 751(a)(3) of the Tariff Act of 1930, as amended. *See Certain Cut-to-Length Carbon Steel Plate from Mexico: Postponement of Preliminary Results of Countervailing Duty Administrative Review* (64 FR 24370). On June 8 through June 17, 1999, we conducted a verification of the questionnaire responses that the Government of Mexico (GOM) and