

by 62.93 percent, compared to the 1,265.15 percent increase between 1989 and 1990. In addition, by 1998, imports declined by 5.57 percent. Further, the petitioners assert that over the history of the order, absolute import volumes have fluctuated significantly. See the petitioners August 2, 1999 Substantive Response at 7 & 8, and Exhibit 1.

The petitioners, also argue that the exchange rate movements (won/\$) can be relevant to a determination of likelihood of future dumping because the movement in the exchange rate can mask the extent of dumping and affect the Department's dumping margin calculations. See the domestic interested parties Substantive Response at 8. Moreover, petitioners argue that the Department should consider the change in producer and importers behavior when making its likelihood determination. Petitioners assert that a major portion of the margins calculated in the original investigation was attributable to certain types of PET film products, such as off-grade film. Petitioners contend that producers and importers decreased their shipments of off-grade material in order to obtain lower dumping margins. Once the order is removed petitioners argue that producers and importers can resume easily their shipment of off-grade material which would result in dumping at a significant level.

As discussed above in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, if companies continue dumping with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed.

After examining the history of this antidumping duty order, we find that dumping margins above *de minimis* levels continue to exist for at least some producers. Given that dumping margins continue to exist, respondent interested parties waived their right to participate in the instant review, and absent argument and evidence to the contrary, the Department determines that dumping would likely continue or recur if the order on PET film from Korea were revoked. Because we based our determination on continuation of dumping margins above *de minimis*, we did not consider import volumes and the other factors cited by the petitioners.

**Magnitude of the Margin**

In the *Sunset Policy Bulletin*, the Department stated that, consistent with the SAA and House Report, the Department will provide to the Commission the company-specific margins from the investigation because

that is the only calculated rate that reflects the behavior of exporters without the discipline of an order. Further, for companies not specifically investigated, or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the all others rate from the investigation. (See section II.B.1 of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the *Sunset Policy Bulletin*.)

The petitioners argue that, consistent with the SAA, the Department should report to the Commission the rates from the original investigation as the magnitude of the margin likely to prevail if the antidumping duty order is revoked, because they are the only calculated rates that reflect the behavior of exporters without the discipline of the order in place. In addition, for companies that did not participate in the investigation, or for companies that did not begin shipping until after the order was issued, the petitioners argue that the Department should use the "all others" rate from the investigation.

We agree with the petitioners that the dumping margins from the original investigation are representative of Korean producers and exporters behavior should the order be revoked because they reflect the behavior of producers and exporters without the discipline of the order. Therefore, absent argument or evidence to the contrary, we will report to the Commission margins contained in the Final Results of Review of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated below.

Manufacturer/exporter	Margin (percent)
SKC Limited and SKC America, Inc.(SKC).	13.92.
Saehan (formerly Cheil Synthetics, Inc.).	Revoked.
Kohn Industries. (Kohn) ...	Revoked.
All others .....	21.50.

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely

notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: January 31, 2000.

**Holly Kuga,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-2590 Filed 2-3-00; 8:45 am]

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-485-805]

**Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Romania**

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

**EFFECTIVE DATE:** February 4, 2000.

**FOR FURTHER INFORMATION CONTACT:** Magd Zalok or Charles Riggle, Group II, Office 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4162, (202) 482-0650, respectively.

**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 (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce (the Department) regulations are to the regulations at 19 CFR part 351 (April 1, 1999).

**Preliminary Determination**

We preliminarily determine that certain small diameter carbon and alloy seamless standard, line and pressure pipe (seamless pipe) from Romania is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the *Suspension of Liquidation* section of this notice.

### Case History

This investigation was initiated on July 20, 1999, based on a petition filed by the Koppel Steel Corporation, Gulf States Tube (a division of Vision Metals), Sharon Tube, U.S. Steel Group (a unit of USX Corporation), and the United Steelworkers of America (collectively, petitioners). See *Initiation of Antidumping Duty Investigations: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan and Mexico; and Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From the Czech Republic, Japan, the Republic of South Africa and Romania*, 64 FR 40825 (July 28, 1999). Since the initiation of this investigation, the following events have occurred:

On August 12 and 17, 1999, we issued antidumping questionnaires to the Romanian embassy with instructions to identify any additional producers/exporters of the subject merchandise who had not contacted the Department, and to forward the questionnaire to all producers/exporters of the subject merchandise. On August 31, 1999, we received a response from the Romanian embassy.

On August 16, 1999, the United States International Trade Commission (the ITC) preliminarily determined that there is a reasonable indication that imports of the products under investigation are materially injuring the United States industry. See 64 FR 46953 (August 27, 1999) (ITC Report Publication No. 3321).

On September 9, 1999, we received a letter from S.C. Republica S.A. (Republica), a producer of the subject merchandise in Romania, stating that it did not sell the subject merchandise to the United States during the period of investigation (POI) and, therefore, will not file a response to the Department's questionnaire.

On September 13 and October 7, 1999, we received questionnaire responses from Sota Communication Company (Sota) and Metal Business International S.R.L. (MBI) (collectively, respondents), the trading companies exporting the subject merchandise during the POI, and their respective producers S.C. Silcotub S.A. (Silcotub) and S.C. Petrotub S.A. (Petrotub). We issued supplemental questionnaires on September 24 and October 18, 1999, to which we received responses on October 14, November 1, and November 5, 1999.

On September 15, 1999, we invited interested parties to provide comments on the surrogate country selection and publicly available information for

valuing the factors of production. We received comments from the respondents on October 15 and November 17, 1999.

On October 7, and November 19, 1999, the respondents and their respective producers requested that the Department find the seamless pipe industry in Romania to be a market-oriented industry (MOI). Subsequently, the Department issued a letter to the Romanian embassy on October 14, 1999, requesting any additional information relevant to the MOI request. On October 22, 1999, we received comments from the Romanian Ministry of Industry and Commerce in support of the MOI claim. The petitioners submitted comments to the Department on November 2, 1999, objecting to the MOI claim made by the responding companies and the Romanian Ministry of Industry and Commerce.

Based on a request made by the petitioners on November 10, 1999, we postponed the preliminary determination until January 26, 1999. See *Notice of Postponement of Preliminary Antidumping Duty Determinations: Certain Small and Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From the Czech Republic, Romania and Mexico*, 64 FR 66168 (November 24, 1999).

Between January 6 and January 12, 2000, the petitioners and the respondents submitted additional comments regarding the preliminary determination.

Although the deadline for this determination was originally January 26, 2000, due to the Federal Government shutdown on January 25 and 26, 2000, resulting from inclement weather, the timeframe for issuing this determination has been extended by two days.

### *Postponement of Final Determination and Extension of Provisional Measures*

Pursuant to section 735(a)(2) of the Act, on November 5, 1999, the respondents requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination. Further to that request, on November 12, 1999, the respondents requested that the Department extend by 60 days the application of the provisional measures prescribed under paragraphs (1) and (2) of section 773(d) of the Act. In accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) the requesting exporters account for a significant proportion of exports of the subject merchandise, and (3) no

compelling reasons for denial exist, we are granting the respondents' request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register**. Suspension of liquidation will be extended accordingly.

### *Scope of Investigation*

The scope of this investigation includes small diameter seamless carbon and alloy (other than stainless) steel standard, line, and pressure pipes and redraw hollows produced, or equivalent, to the American Society for Testing and Materials (ASTM) A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and the American Petroleum Institute (API) 5L specifications and meeting the physical parameters described below, regardless of application. The scope of this investigation also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters described below, regardless of specification. Specifically included within the scope of this investigation are seamless pipes and redraw hollows, less than or equal to 4.5 inches (114.3 mm) in outside diameter, regardless of wall-thickness, manufacturing process (hot finished or cold-drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish.

The seamless pipes subject to this investigation are currently classifiable under the subheadings 7304.10.10.20, 7304.10.50.20, 7304.31.30.00, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the Harmonized Tariff Schedule of the United States (HTSUS).

Specifications, Characteristics, and Uses: Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the ASTM A-106 standard may be used in temperatures of up to 1000 degrees Fahrenheit, at various American Society of Mechanical Engineers (ASME) code stress levels. Alloy pipes made to ASTM A-335 standard must be used if temperatures and stress levels exceed those allowed for ASTM A-106. Seamless pressure

pipes sold in the United States are commonly produced to the ASTM A-106 standard.

Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements. If exceptionally low temperature uses or conditions are anticipated, standard pipe may be manufactured to ASTM A-333 or ASTM A-334 specifications.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipe lines. Seamless line pipes are produced to the API 5L specification.

Seamless water well pipe (ASTM A-589) and seamless galvanized pipe for fire protection uses (ASTM A-795) are used for the conveyance of water.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53, API 5L-B, and API 5L-X42 specifications. To avoid maintaining separate production runs and separate inventories, manufacturers typically triple or quadruple certify the pipes by meeting the metallurgical requirements and performing the required tests pursuant to the respective specifications. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple- or quadruple-certified pipes is in pressure piping systems by refineries, petrochemical plants, and chemical plants. Other applications are in power generation plants (electrical-fossil fuel or nuclear), and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. A minor application of this product is for use as oil and gas distribution lines for commercial applications. These applications constitute the majority of the market for the subject seamless pipes. However, ASTM A-106 pipes may be used in some boiler applications.

Redraw hollows are any unfinished pipe or "hollow profiles" of carbon or alloy steel transformed by hot rolling or cold drawing/hydrostatic testing or other methods to enable the material to be sold under ASTM A-53, ASTM A-

106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications.

The scope of this investigation includes all seamless pipes meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, and whether or not also certified to a non-covered specification. Standard, line, and pressure applications and the above-listed specifications are defining characteristics of the scope of this investigation. Therefore, seamless pipes meeting the physical description above, but not produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications shall be covered if used in a standard, line, or pressure application.

For example, there are certain other ASTM specifications of pipe which, because of overlapping characteristics, could potentially be used in ASTM A-106 applications. These specifications generally include ASTM A-161, ASTM A-192, ASTM A-210, ASTM A-252, ASTM A-501, ASTM A-523, ASTM A-524, and ASTM A-618. When such pipes are used in a standard, line, or pressure pipe application, such products are covered by the scope of this investigation.

Specifically excluded from the scope of this investigation are boiler tubing and mechanical tubing, if such products are not produced to ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications and are not used in standard, line, or pressure pipe applications. In addition, finished and unfinished OCTG are excluded from the scope of this investigation, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in this scope when used in standard, line or pressure applications.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the merchandise under investigation is dispositive.

#### *Class or Kind*

From August through November 1999, the Department received submissions from importers, respondents, and consumers in the companion investigations involving small and large diameter seamless pipe from Japan, requesting that the subject merchandise be considered more than one class or kind. Specifically, those parties

requested that the Department subdivide each of these investigations into the following separate classes or kinds of merchandise: (1) Commodity grade carbon seamless standard, line and pressure pipe; (2) alloy seamless pipe; and (3) high-strength seamless line pipe. On November 8, 1999, the petitioners rebutted these arguments. We have preliminarily determined that there is a single class or kind of merchandise for small diameter pipe and another distinct single class or kind of merchandise for large diameter pipe. For further discussion on this topic see the *Notice of Preliminary Determinations of Sales at Less Than Fair Value: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan and Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan and the Republic of South Africa*, FR 64 69721 (December 14, 1999).

#### *Period of Investigation*

The period of this investigation (POI) comprises each exporter's two most recent fiscal quarters prior to the filing of the petition (*i.e.*, October 1, 1998, through March 31, 1999).

#### *Nonmarket Economy Status*

The Department has treated Romania as a non-market-economy (NME) country in all past antidumping investigations (*see, e.g., Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe From Romania*, 61 FR 24274 (May 14, 1996)). A designation as a NME remains in effect until it is revoked by the Department (*see* section 771(18)(C) of the Act).

The respondents in this investigation have not requested a revocation of Romania's NME status. We have, therefore, preliminarily determined to continue to treat Romania as a NME.

When the Department is investigating imports from a NME, section 773(c)(1) of the Act directs us to base normal value (NV) on the NME producer's factors of production, valued in a comparable market economy that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed under the *Normal Value* section, below.

#### *Market-Oriented Industry*

As indicated above, the two Romanian producers and their respective trading companies, as well as the Romanian Ministry of Industry and Commerce, requested that the Department find the seamless pipe industry in Romania to be a MOI.

The criteria for determining whether a MOI exists are: (1) There must be virtually no government involvement in setting prices or amounts to be produced; (2) the industry producing the merchandise under review should be characterized by private or collective ownership; and (3) market determined prices must be paid for all significant inputs, whether material or non-material, and for all but an insignificant portion of all inputs accounting for the total value of the merchandise. *See Chrome-Plated Lug Nuts from the People's Republic of China; Final Results of Administrative Review*, 61 FR 58514, 58516 (November 15, 1996) (*Lug Nuts*). In addition, in order to make an affirmative determination that an industry in a NME country is a MOI, the Department requires information on virtually the entire industry. A MOI claim, and supporting evidence, must cover producers that collectively constitute the industry in question; otherwise, the MOI claim is dismissed. (*See, e.g., Freshwater Crawfish Tailmeat from the People's Republic of China, Final Determination of Sales at Less than Fair Value*, 62 FR 41347, 41353 (August 1, 1997) (*Crawfish*).)

We find preliminarily in this investigation that the Romanian seamless pipe industry does not meet the Department's criteria for an affirmative MOI finding because the respondents have placed information on the record showing that all of the known seamless pipe producers were primarily owned by the government during virtually the entire POI. Specifically, in prior cases, even where we have found some degree of private and collective ownership in the industry in question, we determined that the second prong of the MOI test was not met because the share of total production capacity accounted for by private enterprises or collectives was small. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Preserved Mushrooms from the People's Republic of China* 63 FR 251, 72261 (December 31, 1998). Furthermore, notwithstanding the issue of ownership, we do not have sufficient information with respect to approximately 20 percent of the seamless pipe industry in Romania and, therefore, are unable to determine whether the Romanian government is involved in setting prices or amounts to be produced for a significant portion of the industry for which we have no information on the record. For a complete discussion of the Department's preliminary determination that the seamless pipe industry does not constitute a MOI, *see* the December 15,

1999, memorandum, *Whether the Seamless Pipe Industry in Romania Should Be Treated as a Market-Oriented Industry*, which is on file in the Central Records Unit (CRU) (room B-099 of the main Commerce Building).

#### Separate Rates

It is the Department's policy to assign all exporters of subject merchandise subject to investigation in a non-market-economy (NME) country a single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. For purposes of this "separate rates" inquiry, 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 in *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 test, exporters in NME countries are entitled to separate, company-specific margins when they can demonstrate an absence of government control over exports, both in law (*de jure*) and in fact (*de facto*).

Evidence supporting, though not requiring, a finding of *de jure* absence of government control includes the following: (1) An absence of restrictive stipulations associated with an 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 with respect to exports is based on the following four criteria: (1) Whether the export prices are set by or subject to 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 autonomy in making decisions regarding the selection of management; and (4) whether each exporter has the authority to negotiate and sign contracts. (*See Silicon Carbide*, 59 FR at 22587.)

We have determined, according to the criteria identified in *Sparklers* and *Silicon Carbide*, that the evidence of record demonstrates an absence of government control, both in law and in fact, with respect to exports by Sota and MBI. Both Sota and MBI were established as privately-owned limited-liability trading companies after Romania began its extensive

privatization program in 1990; neither company has been state-owned nor controlled by provincial or local governments. These companies are only limited by their respective articles of incorporation and bylaws and are not subject to legislative enactments decentralizing the companies' control. Specifically, the information on the record shows that these companies are autonomous in selecting their management, negotiating and signing contracts, setting their own export prices and retaining their own profits. For a complete discussion of the Department's preliminary determination that Sota and MBI are entitled to separate rates, *see* the January 28, 2000, memorandum, *Assignment of Separate Rates for Respondents in the Antidumping Duty Investigation of Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Romania*, which is on file in the CRU.

#### Romania-Wide Rate

As in all NME cases, the Department implements a policy whereby there is a rebuttable presumption that all exporters or producers comprise a single exporter under common government control, the "NME entity." The Department assigns a single NME rate to the NME entity, unless an exporter can demonstrate eligibility for a separate rate. Information on the record of this investigation indicates that Sota and MBI are the only Romanian exporters to the United States of the subject merchandise produced by Silcotub and Petrotub. Further, as noted above, although Republica produces the subject merchandise, we have confirmed with U.S. Customs that no subject merchandise produced by Republica was sold to the United States during the POI, either directly by Republica or through trading companies in Romania.

Since all exporters/producers of the subject merchandise sold to the United States during the POI responded to the Department's questionnaire, and we have no reason to believe that there are other non-responding exporters/producers of the subject merchandise during the POI, we calculated a Romania-wide rate based on the weighted-average margins determined for Sota and MBI.

#### Fair Value Comparisons

To determine whether sales of the subject merchandise by Sota and MBI to the United States were made at LTFV, we compared the export price (EP) to the NV, as described in the *Export Price* and *Normal Value* sections of this notice, below. In accordance with

section 777A(d)(1)(A)(i) of the Act, we compared POI-wide weighted-average EPs to weighted-average NVs.

#### Export Price

We used EP methodology in accordance with section 772(a) of the Act, because Sota and MBI sold the subject merchandise directly to unaffiliated customers in the United States prior to importation, and CEP methodology was not otherwise appropriate.

##### 1. Sota

We calculated EP based on packed C&F prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for inland freight from the plant/warehouse to the port of embarkation, brokerage and handling in Romania, and ocean freight. Because certain domestic brokerage and handling and inland freight were provided by NME companies, we based those charges on surrogate rates from Indonesia and Egypt. (See the *Normal Value* section for further discussion.)

##### 2. MBI

We calculated EP based on packed FOB Romanian-port prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for inland freight from the plant/warehouse to the port of embarkation, and brokerage and handling in Romania. As with Sota, because certain domestic brokerage and handling and inland freight were provided by NME companies, we based those charges on surrogate rates from Indonesia and Egypt. (See the *Normal Value* section for further discussion.)

#### Normal Value

##### A. Surrogate Country

Section 773(c)(4) of the Act requires the Department to value the NME producer's factors of production, to the extent possible, in one or more market economy countries that: (1) Are at a level of economic development comparable to that of the NME country; and (2) are significant producers of comparable merchandise. The Department initially determined that Egypt, the Philippines, Morocco, Algeria, Jamaica, and Ecuador are the countries most comparable to Romania in terms of overall economic development (see the August 24, 1999, memorandum, *Certain Small Diameter Pipe ("S-D Pipe") from Romania: Nonmarket Economy Status and Surrogate Country Selection*). We

subsequently included Indonesia among the countries which are economically comparable to Romania because Indonesia's GNP per-capita and overall economic development are also similar to those of the above-referenced countries.

Because of a lack of the necessary factor price information from the other potential surrogate countries that are significant producers of comparable products to the subject merchandise, we have relied, where possible, on information from Indonesia, the source of the most complete information from among the potential surrogate countries. Accordingly, we have calculated NV by applying Indonesian values to the Romanian producers' factors of production for virtually all factors. Where we were unable to obtain Indonesian values, we used values for inputs from Egypt, which also produces products comparable to the subject merchandise. For a complete analysis of the selection of the surrogate country, see the January 28, 2000, memorandum, *Selection of the Surrogate Country in the Antidumping Duty Investigation of Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Romania* on file in the CRU.

##### B. Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by the companies in Romania which produced seamless pipes for the exporters that sold seamless pipes to the United States during the POI. To calculate NV, the reported unit factor quantities were multiplied by publicly available Indonesian and, where necessary, Egyptian values.

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices to make them delivered prices. We added to Indonesian surrogate values a surrogate freight cost using the reported distance from the domestic supplier to the factory because this distance was shorter than the distance from the nearest seaport to the factory. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp. v. United States*, 117 F. 3d 1401 (Fed. Cir. 1997). Where a producer did not report the distance between the material supplier and the factory, we used as facts available the longest distance reported, *i.e.*, the distance between the Romanian seaport and the producer's location. For those values not contemporaneous with the POI, we

adjusted for inflation using wholesale price indices published in the International Monetary Fund's International Financial Statistics.

We valued material inputs and packing material (*i.e.*, where applicable, steel billet, lacquer, plastic caps, ink, paint, strap, clips, steel scrap, and foil) by Harmonized Tariff Schedule (HTS) number, using imports statistics from the UN Commodity Trade Statistics for 1998. Where a material input was purchased in a market-economy currency from a market-economy supplier, we valued such a material input at the actual purchase price in accordance with § 351.408 (c)(1) of the Department's regulations. For a complete analysis of surrogate values, see the January 28, 2000, memorandum, *Factors of Production Valuation for Preliminary Determination Valuation Memorandum*, on file in the CRU.

We valued labor using the method described in 19 CFR 351.408(c)(3).

To value electricity, we used the 1997 electricity rates, as adjusted, for Indonesia reported in the publication *Energy Prices and Taxes*, 2nd quarter 1999. We based the value of natural gas on 1998 Indonesian prices reported in *Energy Prices and Taxes*, 2nd quarter 1999.

We based our calculation of factory overhead and selling, general and administrative (SG&A) expenses on 1997 financial statements of three Indonesian producers (*i.e.*, PT Jakarta Kyoei, PT Jaya Pari, and PT Krakatau) of products comparable to the subject merchandise. In order to calculate a positive amount for profit consistent with *Certain Fresh Cut Flowers From Ecuador: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 64 FR 18878 (April 16, 1999), we calculated profit based only on PT Krakatau's financial statement because the financial statements for PT Jakarta Kyoei and PT Jaya Pari indicate that those companies incurred losses. Disregarding those financial statements enabled us to derive an "element of profit" as intended by the SAA. See SAA at 839.

To value truck freight rates, we used a 1999 rate provided by a trucking company located in Indonesia. For rail transportation, we valued rail rates using information found in a December, 1994 cable from the U.S. Embassy in Jakarta, Indonesia, as adjusted for inflation.

For brokerage and handling, because an Indonesian value was unavailable, we used a 1999 rate provided by a trucking and shipping company located in Alexandria, Egypt. For further details, see *Valuation Memorandum*.

### Verification

As provided in section 782(i) of the Act, we will verify all information relied upon in making our final determination.

### Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise from Romania entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

Exporter/manufacturer	Weighted-average margin percentage
Sota Communication Company Metal Business International S.R.L. ....	13.75 10.99
Romania-wide rate .....	12.34

The Romania-wide rate applies to all entries of the subject merchandise except for entries from exporters/producers that are identified individually above.

### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine by the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

### Public Comment

Case briefs in six copies must be submitted to the Assistant Secretary for Import Administration no later than March 20, 2000, and rebuttal briefs no later than March 27, 2000. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on March 23, 2000, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington,

DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

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, U.S. Department of Commerce, Room 1870, within 30 days of the 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 the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination not later than 135 days after the publication of this notice in the **Federal Register**.

This determination is issued and published in accordance with sections 733(d) and 777(i)(1) of the Act.

Dated: January 28, 2000.

**Holly A. Kuga,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-851-802]

### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe From the Czech Republic

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

**EFFECTIVE DATE:** February 4, 2000.

**FOR FURTHER INFORMATION CONTACT:** Dennis McClure or John Brinkmann, at (202) 482-0984 or (202) 482-4126, respectively; AD/CVD Enforcement, Office VI, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

### The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise

indicated, all citations to the Department of Commerce's (the Department's) regulations refer to the regulations codified at 19 CFR part 351 (April 1999).

### Preliminary Determination

We preliminarily determine that certain small diameter carbon and alloy seamless standard, line, and pressure pipe (seamless pipe) from the Czech Republic are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the *Suspension of Liquidation* section of this notice.

### Case History

This investigation was initiated on July 20, 1999.<sup>1</sup> See *Initiation of Antidumping Duty Investigations: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan and Mexico; and Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From the Czech Republic, Japan, the Republic of South Africa and Romania*, 64 FR 40825 (July 28, 1999) (*Initiation Notice*). Since the initiation of the investigation, the following events have occurred:

As of the date of initiation of this investigation, the Czech Republic was still considered a non-market economy (NME) country. On July 23, 1999, the Department received a letter from the Czech Ambassador, on behalf of the Government of the Czech Republic, requesting revocation of the Czech Republic's NME status, under section 771(18)(A) of the Act, in the context of this investigation. On August 5, 1999, the Department initiated a formal inquiry into the Czech Republic's status as a NME. On August 12, 1999, the Department selected Nova Hut, a.s. (Nova Hut), the sole producer of the subject merchandise in the Czech Republic, as a mandatory respondent, and issued section A of the NME and market economy<sup>2</sup> antidumping questionnaires to Nova Hut. On August 16, 1999, the Department received comments from the Czech Government and petitioners addressing the criteria necessary to revoke the Czech Republic's NME status.

<sup>1</sup> The petitioners in this investigation are Gulf States Tube, a Division of Vision Metals, Inc.; Koppel Steel Corporation; Sharon Tube Corporation; USS/Kobe Steel Corporation; U.S. Steel Group, a unit of USX Corporation; and the United Steelworkers of America.

<sup>2</sup> Both versions of the questionnaire were issued because Nova Hut had requested that the NME status of the Czech Republic be revoked.