

liquidation will be extended accordingly.

This notice of postponement is published pursuant to 19 CFR 351.210(g).

Dated: February 2, 2000.

**Holly A. Kuga,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-841]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Structural Steel Beams From South Korea

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

**EFFECTIVE DATE:** February 11, 2000.

**FOR FURTHER INFORMATION CONTACT:** Carrie Blozy (Kangwon Industries, Ltd. ("Kangwon")), Brandon Farlander (Inchon Iron & Steel Co., Ltd. ("Inchon")), or Rick Johnson, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0165 (Blozy), (202) 482-0182 (Farlander), or (202) 482-3818 (Johnson).

#### The 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 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all references to the Department's regulations are to the provisions codified at 19 CFR part 351 (1998).

#### Preliminary Determination

We preliminarily determine that structural steel beams ("structural beams") from South Korea are being, 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

On August 3, 1999, the Department initiated antidumping duty

investigations of imports of structural beams from Germany, Japan, South Korea, and Spain. See *Initiation of Antidumping Duty Investigations: Structural Steel Beams From Germany, Japan, South Korea, and Spain*, 64 FR 42084 (August 3, 1999) ("*Notice of Initiation*"). Since the initiation of this investigation the following events have occurred.

The Department set aside a period for all interested parties to raise issues regarding product coverage. On August 17, 1999, Northwestern Steel & Wire Company, Nucor-Yamato Steel Company, and TXI-Chaparral Steel Inc. ("petitioners") submitted comments to the Department requesting that the scope exclude certain forklift truck mast-section non-standard I-beams. In August 1999, the Department also requested comments from petitioners and potential respondents in these investigations regarding the model matching criteria. We received comments from petitioners regarding model matching criteria.

On August 23, 1999, the United States International Trade Commission ("ITC") informed the Department of its affirmative preliminary injury determination on imports of subject merchandise from Japan and South Korea and its negative injury determination on imports of the subject merchandise from Germany and Spain. On August 31, 1999, noting the ITC's negative injury determination concerning Germany, petitioners submitted a letter stating that a scope exclusion of forklift truck mast-section non-standard I-beams was no longer necessary as those products were imported from Germany.

On August 2, 1999, the Department issued Section A of its antidumping questionnaire to Inchon and Kangwon. On August 30, 1999, Inchon and Kangwon submitted responses to Section A of the questionnaire. Also, on August 30, 1999, we issued Sections B, C, D, and E of the antidumping questionnaire. On September 17, 1999, we issued a supplemental questionnaire on Section A. On October 25, 1999, Inchon and Kangwon submitted their Sections B, C, and D responses, and supplemental questionnaire response for Section A. On November 16, 1999, we issued a second supplemental questionnaire to Inchon and Kangwon, and on December 10, 1999, we received responses from both companies. On January 7 and 10, 2000, we issued supplemental questionnaires for Inchon and Kangwon, respectively. On January 18 and 20, 2000, we received Inchon's and Kangwon's supplemental responses, respectively. Petitioners submitted

comments on Inchon's and Kangwon's questionnaire responses in September, November, and December 1999.

On September 17 and 21, 1999, Inchon and Kangwon, respectively, requested that they be excused from reporting home market resales of subject merchandise produced by unaffiliated manufacturers. Additionally, on September 17, 1999, Inchon requested that it be excused from reporting home market sales of I-beams and GI-beams. On September 28, 1999, we granted Inchon's and Kangwon's request that they not be required to report home market resales of subject merchandise produced by unaffiliated manufacturers; however, we instructed Inchon to report its home market sales of I-beams and GI-beams.

On November 2, 1999, petitioners submitted a timely request for a postponement of the preliminary determination pursuant to 19 CFR 351.205(e). On November 16, 1999, we postponed the preliminary determination until no later than February 2, 2000. See *Structural Steel Beams From South Korea and Japan; Notice of Postponement of Preliminary Determinations in Antidumping Duty Investigations*, 64 FR 66169 (November 24, 1999).

#### Postponement of Final Determination

Pursuant to section 735(a)(2) of the Act, on January 13, 2000, Inchon and Kangwon requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until not later than 135 days after the date of the publication of an affirmative preliminary determination in the **Federal Register**. Inchon and Kangwon also requested a two-month extension of the four-month limit on the imposition of provisional measures. In accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) Inchon and Kangwon account for all known exports of the subject merchandise, and (3) no compelling reason for a denial exists, 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

For purposes of this investigation, the products covered are doubly-symmetric shapes, whether hot- or cold-rolled, drawn, extruded, formed or finished, having at least one dimension of at least 80 mm (3.2 inches or more), whether of

carbon or alloy (other than stainless) steel, and whether or not drilled, punched, notched, painted, coated, or clad. These products ("Structural Steel Beams") include, but are not limited to, wide-flange beams ("W" shapes), bearing piles ("HP" shapes), standard beams ("S" or "I" shapes), and M-shapes.

All products that meet the physical and metallurgical descriptions provided above are within the scope of this investigation unless otherwise excluded. The following products are outside and/or specifically excluded from the scope of this investigation:

- Structural steel beams greater than 400 pounds per linear foot or with a web or section height (also known as depth) over 40 inches.

The merchandise subject to this investigation is classified in the Harmonized Tariff Schedule of the United States ("HTSUS") at subheadings: 7216.32.0000, 7216.33.0030, 7216.33.0060, 7216.33.0090, 7216.50.0000, 7216.61.0000, 7216.69.0000, 7216.91.0000, 7216.99.0000, 7228.70.3040, 7228.70.6000. Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

#### Period of Investigation

The period of investigation ("POI") is July 1, 1998 through June 30, 1999.

#### Affiliation

On January 7, 2000, news reports indicated that Incheon shareholders approved a plan to merge with Kangwon. Under the proposed plan, Incheon will absorb Kangwon. Both respondents have stated that Incheon and Kangwon were separate, independent companies during the POI and that no merger discussions took place during the POI. *See, e.g.*, Kangwon's January 20, 2000 Supplemental Questionnaire Response at pages 20–21 and Incheon's January 18, 2000 Supplemental Questionnaire Response at page 13. Therefore, based on respondents' record statements that they were separate, independent companies during the POI, we preliminarily determine that the companies were unaffiliated during the POI and have treated each as a separate entity for purposes of this investigation.

#### Fair Value Comparisons

To determine whether sales of structural beams from Korea to the United States were made at less than fair value, we compared the export price ("EP") or constructed export price

("CEP") to the normal value ("NV"), as described in the "export price and constructed export price" and "normal value" sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs and CEPs (if applicable) for comparison to weighted-average NVs.

#### Transactions Investigated

##### A. Home Market Viability

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared the respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(B) of the Act. Since both Incheon's and Kangwon's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home markets for both companies were viable. Therefore, we have based NV on home market sales in the usual commercial quantities and in the ordinary course of trade.

##### B. Date of Sale

###### Incheon

For both home market and U.S. transactions, Incheon reported the invoice date as the date of sale, *i.e.*, the date when price, quantity, and material specifications are finalized, because Incheon stated that the price, quantity, and material specifications may change until the time of invoicing and shipment. Based on Incheon's reported frequency of changes in the material terms of sale for both its home market and U.S. transactions, which is business proprietary information, the Department preliminarily determines that the invoice date is the most appropriate date to use for the date of sale. This is because the frequency of changes in price and quantity between order confirmation and invoice date indicate that the essential terms of sale are not fixed until the invoice date. For a further discussion, see *Analysis for the Preliminary Determination in the Investigation of Structural Steel Beams from South Korea—Incheon Iron & Steel Company* ("Preliminary Analysis Memo: Incheon"), February 2, 2000. We note that for U.S. sales categorized as either EP or CEP transactions, it is the

Department's practice to use the date of the invoice to the first unaffiliated purchaser in the United States. However, the date of sale cannot occur after the date of shipment. Therefore, when date of shipment to the first unaffiliated purchaser in the United States precedes the date of the invoice, we will use shipment date as the date of sale (*see Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea: Final Results of Antidumping Duty Administrative Reviews*, 64 FR 12927, 12935 (March 16, 1999), *citing Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea: Final Results of Antidumping Duty Administrative Reviews*, 63 FR 13170, 13172–73 (March 18, 1998)). Thus, for U.S. sales through: (1) Channel one (Incheon to its affiliated trading company in South Korea, Hyundai Corporation to Hyundai U.S.A., a wholly owned subsidiary of Hyundai Corporation located in the United States and an affiliate of Incheon, to the U.S. unaffiliated customer), we used Hyundai U.S.A.'s invoice date; (2) channel two (Incheon to Hyundai Corporation to the U.S. unaffiliated customer), we used Hyundai Corporation's invoice date; and (3) channel three (Incheon to the U.S. unaffiliated customer), we used Incheon's invoice date, unless shipment occurs prior to issuing the invoice. When shipment occurs prior to issuing the invoice, we used the shipment date as the date of sale, as noted above.

###### Kangwon

For its direct home market transactions as well as its home market transactions through Sampyo Corporation, Kangwon's affiliated distributor, Kangwon has reported the date of shipping invoice as the date of sale, *i.e.*, the date when price and quantity are finalized. In its Supplemental Section A Questionnaire Response, Kangwon provided an estimate that for a certain percentage of sales, the material terms of sale (*i.e.*, price and quantity) change between the date of the customer's purchase inquiry and the date of shipment. Additionally, Kangwon noted that shipping invoice date is recorded as the date of sale in Kangwon's and Sampyo Corporation's accounting records. *See also Analysis for the Preliminary Determination in the Antidumping Duty Investigation of Structural Steel Beams from South Korea—Kangwon Industries, Ltd.* ("Analysis Memorandum: Kangwon"), February 2, 2000. Based on Kangwon's record statements, which are subject to verification, we preliminarily determine that shipping invoice date is the

appropriate date of sale for home market sales.

With respect to the date of sale for Kangwon's U.S. transactions, in its original Section A Questionnaire Response, Kangwon stated that because the final terms of sale remain subject to change until time of shipment and because it does not record the date when a commercial invoice is issued in its sales records, it reported bill of lading date as the date of sale for all of its U.S. sales. However, in its Supplemental Section A Questionnaire Response, Kangwon clarified that the date of the tax invoice is the appropriate date of sale for U.S. channel three sales transactions. Moreover, in its Section C Questionnaire Response, despite its claims that it did not record date of commercial invoice in its sales records, Kangwon reported date of commercial invoice for its U.S. channel one and two sales transactions. Based on business proprietary information provided by Kangwon regarding the frequency of changes in material terms of sale up to the invoice date, which is subject to verification, we find that the material terms of sale are subject to change until invoice date and preliminarily determine that the appropriate date of sales are: commercial invoice date (U.S. sales channels one and two) and tax invoice date (U.S. sales channel three). *See also Analysis Memorandum: Kangwon.* Additionally, in keeping with the Department's practice (see above), where date of shipment to the first unaffiliated purchaser in the United States precedes the date of the invoice, we have used shipment date as the date of sale.

#### C. Home Market Sales of ASTM Grade Steel

Both respondents made a certain percentage of home market sales of structural beams manufactured to U.S. ASTM grade specifications during the POI. Petitioners allege that ASTM grade home market sales are outside the ordinary course of trade and should be excluded from the Department's analysis. *See* petitioners' December 21, 1999 submissions for Incheon and Kangwon. Petitioners maintain that in its analysis of whether sales are outside of the ordinary course of trade, the Department has weighed a variety of factors, including: the significance of the quantities sold, the existence of a ready market, the comparative volume of sales and number of buyers of the product types in question, and whether the merchandise in question was primarily destined for domestic or foreign markets, citing *Certain Welded Carbon Steel Standard Pipes and Tubes*

*from India; Final Results of Antidumping Duty Administrative Reviews*, 56 FR 64753 (December 12, 1991) and *Titanium Sponge From Japan; Final Results of Antidumping Duty Administrative Review and Tentative Determination To Revoke in Part*, 54 FR 13403, 13404 (April 3, 1998). Petitioners note that in *Certain Welded Carbon Steel Standard Pipes and Tubes from India; Final Results of Antidumping Duty Administrative Review ("Indian Pipe and Tube")*, 57 FR 54360, 54362 (November 18, 1992), the Department examined such factors as identified above and found that the Indian respondent's home market ASTM grade pipe sales were outside of the ordinary course of trade. Petitioners assert that a similar fact pattern exists for Incheon's and Kangwon's home market sales of ASTM grade merchandise and, consequently, argue that the Department should exclude respondents' home market sales of ASTM-grade subject merchandise. In response to petitioners' arguments, Kangwon and Incheon have argued that their sales of ASTM grade merchandise are within the ordinary course of trade because of the considerable number of buyers, the specific requests for ASTM grade merchandise, and the insignificant price differences between ASTM grade and non-ASTM grade merchandise, citing *Certain Circular Welded Carbon Steel Pipes and Tubes from Thailand; Final Results of Antidumping Duty Administrative Review ("Thai Pipe and Tube")*, 61 FR 1328, 1330-1331 (January 19, 1996).

Consistent with *Indian Pipe and Tube* and *Thai Pipe and Tube*, for this preliminary determination, we have examined: (1) The different standards and product uses of ASTM and JIS structural beams; (2) the comparative volume of sales and number of buyers of ASTM and JIS structural beams in the home market; (3) the price differentials between ASTM and JIS structural beams sold in the home market; and (4) whether ASTM structural beams sold in the home market consisted of production overruns or seconds. We find insufficient information to suggest that ASTM grade structural steel beams sold in the Korean home market are outside the ordinary course of trade.

Regarding the different standards and product uses of ASTM and JIS structural beams, we find that they generally possess the same mechanical and physical characteristics, and are used for the same applications. The only difference, as noted by petitioners, is the weight tolerance. However, this difference has minimal to no effect on the application or the desirability of

either product. While respondents have stated that the majority of ASTM structural beams purchased in the home market were used to construct products for export, the fact that ASTM structural beams purchased in the home market are ultimately destined for use outside of Korea is not, in this case, of import to our analysis of whether these sales have been made within the ordinary course of trade, given the other circumstances of these sales as discussed below. In fact, the record indicates that ASTM structural beams are consumed in the home market, indicating that there is a ready market for ASTM structural beams in the home market. Regarding the comparative volume of sales and number of buyers of ASTM and JIS structural beams in the home market, we do not find that the relatively small number of sales of ASTM structural beams in the home market (as a percentage, in comparison to respondents' total volume of structural beams in the home market) alone suggests that the circumstances surrounding respondents' sales of ASTM structural beams in the home market are outside the ordinary course of trade. For both respondents, there was a significant level of ASTM sales activity as evidenced by the fact that there were a significant number of actual sales of ASTM structural beams to multiple customers in the home market. This differs from *Indian Pipe and Tube*, in which ASTM grade material was sold to only two customers. Regarding the price differentials between ASTM and JIS structural steel beams sold in the home market, we find there is a minimal difference between ASTM and JIS structural steel beams sold in the home market, while in *Indian Pipe and Tube* we noted that there was a wide disparity in sales prices between ASTM and Indian Standard pipe. Regarding whether ASTM structural steel beams sold in the home market consisted of production overruns, we find no evidence that the ASTM grade structural steel beams sold in the home market are production overruns. Whereas in *Indian Pipe and Tube*, regarding overruns, the respondent stated, in the original investigation, that the ASTM sales were cost overruns, and no additional evidence had been offered to counter this information for the review segment of that proceeding. Therefore, based on the facts of the record, for both respondents, we preliminarily determine that the ASTM sales in question are within the ordinary course of trade. *See also Preliminary Analysis*

*Memo: Inchon and Analysis Memorandum: Kangwon.*

*D. Home Market Sales of Merchandise Supplied by an Unaffiliated Producer*

In their original Section A Questionnaire responses, Inchon and Kangwon reported that they resold subject merchandise in the home market purchased from an unaffiliated manufacturer and requested that they be excused from reporting these resales. Based on respondents' statements on the record, including the statement that neither company sold subject merchandise produced by an unaffiliated manufacturer in the United States during the POI, we determined that respondents should be excused from reporting home market resales of subject merchandise produced by an unaffiliated manufacturer. See *Memorandum to the File: Request to Not Report Certain Sales* (September 28, 1999).

*E. Arm's Length Test*

Kangwon and Inchon

Sales to affiliated customers in the home market not made at arm's length prices (if any) were excluded from our analysis because we considered them to be outside the ordinary course of trade. See 19 CFR 351.102. To test whether these sales were made at arm's length prices, we compared, on a model-specific basis, the prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, and, for Kangwon, packing. Where, for the tested models of subject merchandise, prices to the affiliated party were on average 99.5 percent or more of the price to unaffiliated parties, we determined that sales made to the affiliated party were at arm's length. See 19 CFR 351.403(c). For results of the arm's length test, see *Analysis Memorandum: Kangwon and Preliminary Analysis Memo: Inchon.*

**Product Comparisons**

In accordance with section 771(16) of the Act, we considered all products produced by the respondents covered by the description in the "Scope of the Investigation" section, above, and sold in the home market during the POI, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics and reporting instructions listed in the

Department's August 2, 1999 questionnaire.

**Export Price and Constructed Export Price**

In accordance with section 772(a) of the Act, export price is the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection (c). In accordance with section 772(b) of the Act, constructed export price is the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (c) and (d). For purposes of this investigation, both respondents have classified their sales as EP sales.

Notwithstanding the above definitions, there are situations where we have treated certain transactions as EP sales when a U.S. affiliate is involved in the U.S. sales transactions. However, the Department normally treats sales through an agent in the United States as CEP sales unless the activities of the agent are merely ancillary to the sales process. Specifically, where sales are made prior to importation through a U.S.-based affiliate to an unaffiliated customer in the United States, the Department examines several factors to determine whether these sales warrant classification as EP sales. These factors are: (1) Whether the merchandise was shipped directly from the manufacturer to the unaffiliated U.S. customer without being introduced into the physical inventory of the affiliated selling agent; (2) whether this is the customary commercial channel between the parties involved; and (3) whether the function of the U.S. selling agent is limited to that of a "processor of sales-related documentation" and a "communication link" with the unrelated U.S. buyer. Where the factors indicate that the activities of the U.S. selling agent are ancillary to the sale (e.g., arranging transportation or customs clearance), we treat the transactions as EP sales. Where the U.S. selling agent is substantially involved in the sales process (e.g., negotiating prices), we treat the transactions as CEP sales. See *Certain Cut-to-Length Carbon*

*Steel Plate from Germany: Final Results of Antidumping Administrative Review*, 62 FR 18389, 18391 (April 15, 1997); *Mitsubishi Heavy Industries v. United States*, Slip Op. 98-82 at 6 (CIT June 23, 1998). The Department has stated that, (w)here the U.S. affiliate has more than an incidental involvement in making sales (e.g., solicits sales, negotiates contracts or prices) or provides customer support, we treat the transactions as CEP sales," citing, e.g., *Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate from Canada*, 63 FR 12725, 12738 (March 16, 1998).

Inchon

Inchon identified three channels of distribution for U.S. sales. For U.S. sales channel one (i.e., Inchon sales through Hyundai Corporation, Inchon's affiliated trading company in South Korea, to Hyundai U.S.A., a wholly owned subsidiary of Hyundai Corporation located in the United States and an affiliate of Inchon, and finally, to an unaffiliated customer), channel two (i.e., Inchon sales through Hyundai Corporation, mentioned above, to an unaffiliated customer in the United States) and channel three (i.e., Inchon sales to an unaffiliated trading customer for export to the United States), we based our calculation on EP, in accordance with section 772 (a) of the Act, because the subject merchandise was sold by the producer or exporter directly to the first unaffiliated purchaser in the United States or for export to the United States prior to importation, and CEP methodology was not otherwise indicated.

We note that petitioners have argued that sales through channel one should be treated as CEP sales; however, as noted above, we preliminarily disagree based on the information on the record at this time.

Inchon claimed that all of its U.S. sales of subject merchandise are EP sales, including those sales made prior to importation through Hyundai U.S.A., Hyundai Corporation's wholly-owned U.S. subsidiary (i.e., channel one sales). In looking at the channel one sales, we preliminarily agree that all three factors of our test are met for channel one sales. First, the merchandise is usually shipped directly from Inchon to the U.S. customer without Hyundai U.S.A. taking the merchandise into physical inventory. Moreover, this is the customary commercial channel between the parties. Thus, the first two factors of our test are met. Regarding the third factor, Inchon claims that Hyundai U.S.A. does not have the authority to independently solicit, negotiate, or

approve sales to Incheon's U.S. customers. Also, Incheon claims that Hyundai U.S.A. does not provide customer support to Incheon's U.S. customers. In considering the third of the three factors to determine whether certain sales warrant classification as EP sales, we preliminarily determine that the affiliated purchaser in the United States, Hyundai U.S.A., acted as a processor of sales-related documentation and a communication link with the unrelated U.S. buyer and that its sales activities are merely ancillary.

In examining the third factor of our analysis in detail to determine whether certain sales warrant classification as EP sales, we note the following. First, Incheon states that it solicits and negotiates sales, and approves its U.S. sales prices and that Hyundai U.S.A. does not perform any of these functions. This contrasts with our analysis for Incheon in *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From the Republic of Korea* ("Stainless Steel Sheet and Strip in Coil from Korea"), 64 FR 30664, 30686 (June 8, 1999), where the record contained information that Hyundai U.S.A. had solicited sales, both with and without Incheon employees. The record in the present case indicates that Incheon personnel, and not those of Hyundai U.S.A., call on U.S. customers. Although Hyundai U.S.A. personnel attended meetings with U.S. customers, they only did so in an observational capacity and in the company of Incheon personnel. Thus, Hyundai U.S.A. personnel did not solicit or negotiate any sales, nor did they even independently meet with Incheon's customers. This contrasts with *Stainless Steel Sheet and Strip in Coil from Korea*, where we found that Hyundai U.S.A. employees had made sales calls without Incheon employees. Second, Incheon states that it bears the credit risk if a U.S. customer does not remit payment to Hyundai U.S.A., but that, during the POI, there were no instances of a U.S. customer not paying Hyundai U.S.A. This contrasts with the *Stainless Steel Sheet and Strip in Coil from Korea*, where the record contained specific evidence that Hyundai U.S.A. was bearing the credit risk. Third, we note that Incheon reported post-sale warehousing at the U.S. port prior to delivery to the U.S. customer. We note that warehousing is not automatically indicative that the U.S. sales should be classified as CEP transactions. See *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel*

*Wire Rod From Italy*, 63 FR 40422, 40425 (July 29, 1998). Thus, based on the above record, we preliminarily determine that Incheon's U.S. sales of structural steel beams, in which Hyundai U.S.A. was involved in the sales process, reported as EP sales, qualify as EP sales.

We based EP on the packed, delivered, tax and duty paid price to unaffiliated purchasers in the United States. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight from the plant to the port of export, foreign wharfage, international freight, marine insurance, U.S. warehousing, U.S. loading, U.S. customs duty, and U.S. wharfage. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act. For a further discussion of this issue, see *Preliminary Analysis Memo: Incheon*.

#### Kangwon

Kangwon identified three channels of distribution for U.S. sales. In channel one, Kangwon sold directly to the U.S. customers. In channel two, Kangwon sold to the U.S. customers through its affiliated distributor, Sampyo Corporation. Additionally, for a certain percentage of U.S. channel one and two sales, Kangwon reported that Sampyo America, a subsidiary of Kangwon, relays pricing information and sales order information between Kangwon and its U.S. customers. In channel three, Kangwon sold directly to unaffiliated Korean trading companies for resale of subject merchandise to the United States. For U.S. sales channel three, we based our calculation on EP, in accordance with section 772(a) of the Act, because the subject merchandise was sold by the producer or exporter directly to the first unaffiliated purchaser in the United States prior to importation, and CEP methodology was not otherwise indicated. For U.S. channel one and two sales, including those for which Kangwon has reported that Sampyo America had a role in the sales process, we based our calculation on EP, in accordance with section 772(a) of the Act, because the subject merchandise was sold by the producer or exporter directly to the first unaffiliated purchaser in the United States prior to importation, and CEP methodology was not otherwise indicated. In determining that channel one and two sales in which Sampyo America had a role should be treated as EP, we applied our three factor test, described above.

In determining that channel one and two sales in which Sampyo America had a role should be treated as EP, we applied our three factor test described above. The record indicates that in all instances Kangwon's channel one and two sales were shipped directly from the manufacturer to the unaffiliated U.S. customer and that the reported U.S. sales were made in the customary commercial channel, thereby satisfying the first two factors for EP sales. In determining, for those U.S. sales for which Kangwon has indicated that Sampyo America participated in the sales process, whether the U.S. affiliate acted solely as a "processor of sales-related documentation" and a "communication link" with the unaffiliated U.S. customer, we reviewed the selling functions performed by Sampyo America and the sales process for these sales.

Kangwon reported that Sampyo America's only participation in the sales negotiation process for U.S. channel one and two sales is to relay pricing information and sales order information between Kangwon and its U.S. customers. Kangwon maintains that all U.S. sales are negotiated and approved by Kangwon's Export Department. Kangwon reported that for a certain percentage of sales, Kangwon rejected the terms of an order forwarded by Sampyo America. In addition to forwarding inquiries and confirmations to and from the customer and Kangwon, Kangwon stated that employees of Sampyo America also undertook business trips, at the instruction and control of Kangwon and by Kangwon employees, to meet with Kangwon's U.S. customers and provided general market research information for both subject and non-subject merchandise to Kangwon. Consequently, because Sampyo America's function for certain of Kangwon's U.S. channel one and two sales is limited to relaying pricing information and sales order information between Kangwon and its U.S. customers, we preliminarily determine that Kangwon's U.S. sales of structural beams, in which Sampyo America was involved in the sales process, reported as EP sales, qualify as EP sales. For a further discussion of this issue, see *Analysis Memorandum: Kangwon*.

We based EP on the packed prices to unaffiliated purchasers in the United States. Where appropriate, we deducted billing adjustments and price discounts from the gross unit price. We made deductions for foreign inland freight (plant to distribution warehouse), warehousing expense, foreign inland freight (warehouse to port of exportation), brokerage and handling,

ocean freight (where applicable), marine insurance (where applicable), U.S. brokerage charges (where applicable) and U.S. Customs duties (where applicable) in accordance with section 772(c)(2)(A) of the Act. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act. For a further discussion of this issue, see *Analysis Memorandum: Kangwon*.

### Normal Value

After testing home market viability and whether home market sales were made at below-cost prices, we calculated NV as noted in the "Price-to-Price Comparisons" and "Price-to-CV Comparison" sections of this notice.

### Cost of Production ("COP") Analysis

Based on the cost allegations submitted by petitioners in their July 7, 1999 petition, the Department found reasonable grounds to believe or suspect that Inchon and Kangwon had made sales in the home market at prices below the cost of producing the merchandise, in accordance with section 773(b)(1) of the Act. As a result, the Department initiated an investigation to determine whether Inchon and Kangwon made home market sales during the POI at prices below their respective COPs within the meaning of section 773(b) of the Act. See *Notice of Initiation*. We conducted the COP analysis described below.

#### A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of each respondent's cost of materials and fabrication for the foreign like product, plus amounts for selling, general and administrative expenses, including interest expenses, research and development and packing costs. We relied on the COP and CV data submitted by Inchon and Kangwon, except as discussed below, where the submitted costs were not appropriately quantified or valued.

We made company-specific adjustments to the reported COP as follows:

#### Inchon

1. We adjusted Inchon's general and administrative expense ratio to include or exclude, as appropriate, certain non-operating items.

#### Kangwon

1. We adjusted Kangwon's reported cost of scrap purchased from affiliated suppliers to account for the differences

between the market price of scrap and the transfer price.

2. We recalculated Kangwon's general and administrative ("G&A") expense ratio by excluding gain from assets contributed, bad debt allowance, additional income tax, and miscellaneous gains and losses, and dividing the recalculated G&A expenses by cost of goods sold net of packing expenses.

3. We adjusted Kangwon's interest expense ratio by adding back gain on exemption of debt and dividing the recalculated interest expense by cost of goods sold net of packing expenses.

#### B. Test of Home Market Sales Prices

We compared the weighted-average COP for each respondent, adjusted where appropriate (see above), to home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP. In determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made (1) within an extended period of time in substantial quantities, and (2) at prices which permitted the recovery of all costs within a reasonable period of time, in accordance with sections 773(b)(1)(A) and (B) of the Act. On a product-specific basis, we compared the COP to home market prices, less any applicable movement charges, discounts and rebates, other selling expenses, and, for Kangwon, home market packing.

#### C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of the respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in substantial quantities. Where 20 percent or more of the respondent's sales of a given product during the POI were at prices less than the COP, we determined such sales to have been made in substantial quantities within an extended period of time, in accordance with section 773(b)(2)(B) of the Act. Because we compared prices to POI or fiscal year average costs, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, we disregarded the below-cost sales.

#### D. Calculation of CV

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of each respondent's cost of materials, fabrication, G&A expenses, including interest expenses, research and development expenses, U.S. packing costs (for Kangwon), direct and indirect selling expenses, and profit. We made adjustments to each respondent's reported cost as indicated above in the COP section. In accordance with section 773(e)(2)(A) of the Act, we based selling, general and administrative expenses and profit on the amounts incurred and realized by each respondent in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

#### Price-to-Price Comparisons

For those product comparisons for which there were sales at prices above the COP, we based NV on prices to home market customers. Both Inchon and Kangwon have reported sales quantities on a theoretical weight basis (as recorded in their internal books) and maintain that actual weight is recorded for only a limited number of sales. However, petitioners argue that the JIS and ASTM standards vary in their level of acceptable weight variances; thus, petitioners argue that respondents have effectively overreported the actual quantity of home market sales by approximately 4 percent and the actual quantity of U.S. sales by only 2.5 percent, thereby distorting reported unit prices. Consequently, petitioners have requested that home market prices be adjusted upwards by 1.5 percent. In the Department's supplemental questionnaires for Inchon and Kangwon (issued in January 2000), we requested that respondents provide actual weights for sample sales of subject merchandise in the home market and U.S. (where available). The data provided by respondents indicate that there are no significant differences between JIS and ASTM actual and theoretical weights. Therefore, we preliminarily determine that no adjustment is warranted.

#### Inchon

We calculated NV based on prices to unaffiliated home market customers. We made a deduction for inland freight from the plant to the customer. We made billing adjustments, where appropriate. We made circumstance-of-sale ("COS") adjustments based on differences in direct selling expenses (i.e., credit, warranty expense, and interest revenue) incurred on U.S. and home market sales, where appropriate.

Where appropriate, we deducted from NV the amount of home market indirect selling expenses capped by the amount of the U.S. commissions. Normally, we deduct home market packing costs and add U.S. packing costs, in accordance with section 773(a)(6); however, in the instant case, we did not deduct home market packing costs nor add U.S. packing costs because Incheon has stated that there is no difference between its home market and U.S. packing costs, and has included packing costs in its COP.

#### Kangwon

We calculated NV for comparison to EP sales based on prices to unaffiliated home market customers. We made a deduction for inland freight-plant to distribution warehouse, warehousing expense, inland freight-warehouse to customer. In its questionnaire responses, Kangwon reported that Kangwon pays Sampyo America a set per metric ton fee for all sales by Kangwon through U.S. sales channels one and two regardless of the extent to which Sampyo America was involved in relaying sales information for these sales, up to a set amount. Petitioners have argued that since the fees received by Sampyo America vary with sales levels, the Department should treat the fees as a direct selling expense. We note that the fees in question constitute a type of commission paid by Kangwon to Sampyo America. The Department's questionnaire specifically instructs respondent not to "report commissions paid to affiliated selling agents unless there is a compelling reason that you cannot report an affiliated agent's actual expenses." See Department's August 30, 1999 Questionnaire at page C-28. In this case, Kangwon has reported these fees in its calculation of indirect selling expenses incurred in the United States. Therefore, we preliminarily determine that no COS adjustment is appropriate for the fees in question. We made a COS adjustment based on differences in direct selling expenses (*i.e.*, credit) incurred on U.S. and home market sales, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs.

#### Price-to-CV Comparisons

In accordance with section 773(a)(4) of the Act, we based NV on CV if we were unable to find a home market match of the foreign like product. We made adjustments to CV in accordance with section 773(a)(8) of the Act. For comparisons to EP, we made COS adjustments by deducting home market

direct selling expenses and adding U.S. direct selling expenses.

#### 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 transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on CV, that of the sales from which we derive selling, general and administrative ("SG&A") expenses and profit. For EP, the LOT is also the level of the starting price sale, which is usually from the exporter to the importer. For CEP, it is the level of the constructed sale from the exporter to the importer.

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

In the present review, none of the respondents requested a LOT adjustment. To ensure that no such adjustment was necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and Korean markets, including the selling functions, classes of customer, and selling expenses for each respondent.

#### Incheon

In the home market, Incheon reported two sales channels: (1) To unaffiliated distributors; and (2) to affiliated and unaffiliated end-users. We examined the selling functions performed for both channels. These selling functions included inventory maintenance, freight and delivery arrangements, warranty

service, and credit risk. Because there are no differences between the selling functions on sales made to either unaffiliated distributors or affiliated and unaffiliated end-users in the home market, sales to both of these customer categories represent a similar stage of marketing. Therefore, we preliminarily conclude that sales to unaffiliated distributors and affiliated and unaffiliated end-users constitute one LOT in the home market.

For its EP sales in the U.S. market, Incheon reported three sales channels: (1) Channel one—Inchon sales through Hyundai Corporation, Incheon's affiliated trading company, to Hyundai U.S.A., a wholly owned subsidiary of Hyundai Corporation located in the United States and an affiliate of Incheon, and finally, to an unaffiliated customer; (2) channel two—Inchon sales through Hyundai Corporation, to an unaffiliated customer; and (3) channel three—Inchon sales to an unaffiliated trading company. Incheon's U.S. customers for all three sales channels are trading companies and distributors. We examined the selling functions performed for each of the three U.S. sales channels. These selling functions included warranty service, freight and delivery arrangements, credit services, and post-sale warehousing. With the exception of post-sale warehousing for certain sales in channel one, selling functions performed in the three sales channels were the same. Thus, sales to these customer categories represent a similar stage of marketing. Therefore, we preliminarily determine that Incheon provided a sufficiently similar degree of services on sales to all three channels of distribution, and that the sales made to the United States constitute one LOT.

Further, we preliminarily conclude that because the U.S. LOT and the home market LOT included similar selling functions, these sales are made at the same LOT. Therefore, a LOT adjustment for Incheon is not appropriate.

#### Kangwon

Kangwon did not claim a LOT adjustment. Kangwon identified two channels of distribution in the home market: (1) Sales made by Kangwon directly to its customers; and (2) sales made by Kangwon through Sampyo Corporation, to customers. Both Kangwon and Sampyo Corporation made sales to affiliated and unaffiliated industrial end-users and distributors. In addition, Kangwon made a limited quantity of sales to government entities. For both reported channels, Kangwon maintains that the sales process and selling functions performed by Kangwon are identical. Moreover,

Kangwon explained that the only differences between Kangwon's sales to government end-users and its sales to end-users and distributors are that most sales to the latter are made through Sampyo Corporation and that different terms of sale and terms of delivery are offered to government entities. We reviewed the selling functions and services performed by either Kangwon or Sampyo Corporation and preliminarily determined that for both channels of distribution and all classes of customer, the selling functions and services offered are similar. See *Analysis Memorandum: Kangwon*. Consequently, because channels of distribution do not qualify as separate LOTs when the selling functions performed for each customer class are sufficiently similar, we preliminarily determine that there exists one LOT for Kangwon's home market sales.

Kangwon identified three channels of distribution in the U.S. market: (1) Sales made by Kangwon directly to U.S. distributors; (2) sales made by Kangwon to U.S. distributors through Sampyo Corporation; and (3) sales made by Kangwon to unaffiliated Korean trading companies for shipment to the United States. In addition, Kangwon reported that its U.S.-based subsidiary, Sampyo America, was involved in the sales process for certain U.S. channel one and two sales. However, pursuant to our analysis above, such sales were treated as EP sales. Kangwon claimed one LOT in the U.S. market. The Department examined the claimed selling functions performed by Kangwon, Sampyo Corporation, and Sampyo America for all U.S. sales. These selling functions included warranty, freight and delivery arrangements, and invoicing customers.

Based on our analysis of the chains of distribution and selling functions performed for sales in the home market and EP sales in the U.S. market, we preliminarily find that EP sales to all three channels of distribution are made at the same stage in the marketing process and involve identical selling functions. Therefore, we preliminarily determine that Kangwon, Sampyo Corporation, and Sampyo America provided a sufficiently similar degree of services on sales to all three channels of distribution, and that the sales made to the United States constitute one LOT.

Based on a comparison of the selling activities performed in the U.S. market to the selling activities in the home market, we preliminarily determine that there is not a significant difference in the selling functions performed in both markets, and thus, a LOT adjustment is not appropriate. For a further

discussion, see *Analysis Memorandum: Kangwon*.

#### Currency Conversion

We made currency conversions into U.S. dollars based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Section 773A(a) of the Act directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars unless the daily rate involves a fluctuation. It is the Department's practice to find that a fluctuation exists when the daily exchange rate differs from the benchmark rate by 2.25 percent. The benchmark is defined as the moving average of rates for the past 40 business days. When we determine a fluctuation to have existed, we substitute the benchmark rate for the daily rate, in accordance with established practice. Further, section 773A(b) of the Act directs the Department to allow a 60-day adjustment period when a currency has undergone a sustained movement. A sustained movement has occurred when the weekly average of actual daily rates exceeds the weekly average of benchmark rates by more than five percent for eight consecutive weeks. (For an explanation of this method, see Policy Bulletin 96-1: Currency Conversions (61 FR 9434, March 8, 1996).)

#### Verification

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

#### The All-Others Rate

Section 735(c)(5) of the Act provides that the estimated all-others rate is the amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero and de minimis margins, and any margins determined entirely under section 776 of the Act. Therefore, for this preliminary determination, we have calculated the all-other rate based on the weighted average of the estimated weighted average dumping margins for both Kangwon and Inchon.

#### 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 that are 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 export price, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted average margin (percent)
Inchon .....	14.95
Kangwon .....	47.55
All-Others .....	30.30

#### ITC Notification

In accordance with section 733(f) of the Act, we are notifying the ITC of our determination. If our final determination is affirmative, the ITC will determine before 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 or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than 50 days after the publication of the preliminary determination, and rebuttal briefs, limited to issues raised in case briefs, no later than 55 days after the publication of the preliminary determination. 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 57 days after the publication of the preliminary determination, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 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.

We will make our final determination no later than 135 days after the date of publication in the **Federal Register** of our preliminary determination.

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

Dated: February 2, 2000.

**Holly A. Kuga,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-588-852]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value: Structural Steel Beams From Japan

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

**EFFECTIVE DATE:** February 11, 2000.

**FOR FURTHER INFORMATION CONTACT:** Juanita Chen or Robert Bolling, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-0409 and (202) 482-3434, respectively.

#### 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 ("Department") regulations are to the regulations at 19 CFR part 351 (April 1998).

#### Preliminary Determination

We preliminarily determine that Structural Steel Beams ("Structurals") from Japan are being, 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. For all the following companies, the Department has used adverse facts available for their estimated margin: Nippon Steel

Corporation ("NSC"); Kawasaki Steel Corporation ("Kawasaki"); NKK Corporation ("NKK"); Sumitomo Metals Industries, Ltd. ("Sumitomo"); Toa Steel Co., Ltd. ("Toa"); Tokyo Steel Manufacturing Co., Ltd. ("Tokyo Steel") and Topy Industries, Limited ("Topy"). However, the Department is not assigning a margin to Yamato Kogyo Co. Ltd. See Case History section.

#### Case History

On August 3, 1999, the Department initiated antidumping duty investigations of imports of structural steel beams from Germany, Japan, South Korea, and Spain (Notice of Initiation of Antidumping Investigations: Structural Steel Beams from Germany, Japan, South Korea, and Spain (64 FR 42084 (August 3, 1999)). Since the initiation of this investigation the following events have occurred.

The Department set aside a period for all interested parties to raise issues regarding product coverage. On August 8, 1999, Northwestern Steel & Wire Company, Nucor-Yamato Steel Company, TXI-Chaparral Steel Co., and the United Steelworkers of America AFL-CIO ("petitioners") submitted comments to the Department that proposed model match criteria. Petitioners stated that they provided the factors (i.e., shape, size, grade yield strength, weight, dimension and processing) upon which price distinctions in the foreign market should be based because they reflect the physical differences of the products. The petitioners stated that they listed these products in general order of importance. Also, on August 17, 1999, petitioners submitted comments to the Department requesting that the scope exclude certain forklift truck mast-section non-standard I-beams.

On August 13, 1999, petitioners revised their proposed model matching criteria for Japanese products. In this letter, petitioners provided information purporting to demonstrate that, based on yield strength, the new home market grades of the subject merchandise are a more appropriate match to the products being sold in the United States than the grades identified in the petition. Further, on August 25, 1999, petitioners submitted comments to the Department's draft model match characteristics. First, petitioners stated that the Department should include a classification for "Other Doubly-Symmetric Shapes (i.e., Special Sections)" at the end of the depth section category. Second, petitioners stated that the Department should match beam types in the following order: M beams, wide flange beams,

standard beams, H piles and other doubly-symmetric shapes.

On August 23, 1999, the United States International Trade Commission ("ITC") notified the Department of its affirmative preliminary injury determination on imports of subject merchandise from Japan and South Korea and its negative injury determination on imports of subject merchandise from Germany and Spain. On August 31, 1999, noting the ITC's negative injury determination concerning Germany, petitioners submitted a letter stating that a scope exclusion of forklift truck mast-section non-standard I-beams was no longer necessary as those products were imported from Germany. Additionally, on September 1, 1999, the ITC published its preliminary determination that there is a reasonable indication that an industry in the United States is being threatened with material injured by reason of imports of the subject merchandise from Japan (64 FR 47866).

On August 2, 1999, the Department issued Section A of its antidumping duty questionnaire to NSC, Kawasaki, NKK, Sumitomo, Toa, Tokyo Steel, Topy, and Yamato Kogyo Co. Ltd. ("Yamato"). On August 11, 1999, the Department received NKK and Toa's joint response to Question 1 of Section A. This response stated that Toa is a subsidiary company of NKK now under liquidation, and that Toa did not make any sales of the subject merchandise during the POI.<sup>1</sup> On August 12, 1999, the Department received Sumitomo's response to Question 1 of Section A. On August 13 and 19, 1999, the Department received Tokyo Steel's response to Question 1 of Section A. Topy submitted its response to Question 1 of Section A on August 16 and 20, 1999. Yamato submitted its response to Question 1 of Section A on August 16, 1999, in which Yamato stated that it did not make any sales of subject merchandise to the United States during the POI. On August 18, 1999, NSC informed the Department that it will not be participating in the Structural Steel Beams investigation. On August 20, 1999, Kawasaki informed the Department that it will not be participating in the Structural Steel Beams investigation. On August 24, 1999, NKK informed the Department that it will not be participating in the Structural Steel Beams investigation. On August 30, 1999, the Department informed Yamato that it will not be part of the investigation because it did not

<sup>1</sup> Based on this information, the Department considers NKK and Toa to be a single entity and will instruct Customs to treat them as such.