

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

As noted above, the final determination will be issued within 135 days after the date of publication of this preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: April 23, 2001.

**Bernard T. Carreau,**

*Deputy Assistant Secretary, Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-549-817]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products From Thailand

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

**EFFECTIVE DATE:** May 3, 2001.

**FOR FURTHER INFORMATION CONTACT:** Angelica Mendoza or Nancy Decker at (202) 482-3019 and (202) 482-0196, respectively; AD/CVD Enforcement, Office 8, Group III, Import Administration, 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 (Department) regulations are to the regulations at 19 CFR part 351 (April 2000).

#### Preliminary Determination

We preliminarily determine that certain hot-rolled carbon steel flat

products (HR) from Thailand 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 is shown in the "Suspension of Liquidation" section of this notice.

#### Case History

On December 4, 2000, the Department initiated antidumping investigations of HR products from Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China, Romania, South Africa, Taiwan, Thailand, and Ukraine. *See* Initiation of Antidumping Duty Investigation: Certain Hot-Rolled Carbon Steel Flat Products from Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China, Romania, South Africa, Taiwan, Thailand, and Ukraine, 65 FR 77568 (December 12, 2000) (Initiation Notice). The petitioners in this investigation are Bethlehem Steel Corporation, LTV Steel Company, Inc., National Steel Corporation, U.S. Steel Group (a Unit of USX Corporation), Gallatin Steel Company, IPSCO Steel Inc., Nucor Corporation, Steel Dynamics, Inc., Weirton Steel Corporation, and Independent Steelworkers Union. 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. *See* Initiation Notice at 77569. We received no comments from any parties in this investigation. The Department did, however, receive comments regarding product coverage in the investigation of hot-rolled carbon steel products from the Netherlands. In that investigation we received comments from Duracell Global Business Management Group on December 11, 2000, from Eveready Battery Co., Inc., on December 15, 2000, from Bouffard Metal Goods, Inc., and Truelove & Maclean, Inc., on December 18, 2000, and from Corus Staal BV and Corus Steel U.S.A., Inc., and Thomas Steel Strip Corporation on December 27, 2000.

On December 22, 2000, the Department issued a letter to interested parties in all of the concurrent HR products antidumping investigations, providing an opportunity to comment on the Department's proposed model matching characteristics and hierarchy. Comments were submitted by: petitioners (January 5, 2001); Corus Staal BA and Corus Steel USA Inc., (Corus), respondent in the Netherlands investigation (January 3, 2001); Iscor Limited (Iscor), respondent in the South Africa investigation (January 3, 2001);

and Zaporizhstal, respondent in the Ukraine investigation (January 3, 2001). Petitioners agreed with the Department's proposed characteristics and hierarchy of characteristics. Corus suggested adding a product characteristic to distinguish prime merchandise from non-prime merchandise. Neither Iscor nor Zaporizhstal proposed any changes to either the list of product characteristics proposed by the Department or the hierarchy of those product characteristics but, rather, provided information relating to its own products that was not relevant in the context of determining what information to include in the Department's questionnaires. For purposes of the questionnaires subsequently issued by the Department to the respondents, no changes were made to the product characteristics or the hierarchy of those characteristics from those originally proposed by the Department in its December 22, 2000 letter. With respect to Corus' request, the additional product characteristic suggested by Corus, to distinguish prime from non-prime merchandise, is unnecessary. The Department already asks respondents to distinguish prime from non-prime merchandise in field number 2.2 "Prime vs. Secondary Merchandise." *See* the Department's Antidumping Duty Questionnaire, at B-7 and C-7. These fields are used in the model match program to prevent matches of prime merchandise to non-prime merchandise.

On December 28, 2000, the United States International Trade Commission (ITC) notified the Department of its affirmative preliminary injury determination on imports of subject merchandise from Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China, Romania, South Africa, Taiwan, Thailand, and Ukraine. On January 4, 2001, the ITC published its preliminary determination that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of the subject merchandise from Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China, Romania, South Africa, Taiwan, Thailand, and Ukraine. *See* Hot-Rolled Steel Products from Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China, Romania, South Africa, Taiwan, Thailand, and Ukraine, 66 FR 805-02 (January 4, 2001).

On January 4, 2001, the Department issued all sections of its antidumping duty questionnaire to Sahaviriya Steel Industries Public Co., Ltd. (SSI), Siam

Strip Mill Public Co., Ltd. (SSM), and Nakornthai Strip Mill Public Co., Ltd. (Nakornthai). Prior to issuing the antidumping duty questionnaire, the Department received a letter, dated December 25, 2000, from Nakornthai indicating that its mill was not in operation and that it made no sales of subject merchandise during the period of investigation (POI). On January 16, 2001, the Department received Nakornthai's response to Section A of the questionnaire which further stated that it was not in operation during the POI and, therefore, should not be subject to this investigation. On January 18, 2001, Nakornthai submitted additional evidence regarding its non-production of merchandise subject to this investigation. On January 24, 2001, the Department issued a letter indicating that based on Nakornthai's response to Section A of the questionnaire that it was not currently required to respond to Sections B, C, and D. The Department did not receive a response to any section of the questionnaire from SSM. On January 25, 2001, the Department received SSI's response to Section A of the questionnaire. On February 16, 2001, petitioners filed comments on SSI's section A response. On March 1, 2001, the Department issued a supplemental questionnaire for SSI's Section A response. SSI responded on March 16, 2001.

SSI filed its responses to Sections B, C, and D of the questionnaire on February 26, 2001. On March 5, 2001, petitioners submitted comments on SSI's Sections B, C, and D responses. The Department issued a supplemental questionnaire for responses to Sections B and C on March 12, 2001. The Section D supplemental questionnaire was issued on March 12, 2001. The Department received responses to the Sections B-D supplemental questionnaires on March 26, 2001 and March 28, 2001.

#### Period of Investigation

The POI is October 1, 1999 through September 30, 2000. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (i.e., November 2000), and is in accordance with our regulations. See section 351.204(b)(1). We based our analysis on sales transactions made within the POI by date of sale. For the home market we treated the date of the final commercial invoice as the date of sale. For the U.S. market we treated the date of the final contract as the date of sale.

#### Scope of Investigation

For purposes of this investigation, the products covered are certain hot-rolled carbon steel flat products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers), regardless of thickness, and in straight lengths of a thickness of less than 4.75 mm and of a width measuring at least 10 times the thickness. Universal mill plate (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm, but not exceeding 1250 mm, and of a thickness of not less than 4.0 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of this investigation. Specifically included within the scope of this investigation are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium or niobium (also commonly referred to as columbium), or both, added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

Steel products to be included in the scope of this investigation, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTS), are products in which: (i) Iron predominates, by weight, over each of the other contained elements; (ii) the carbon content is 2 percent or less, by weight; and (iii) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.15 percent of vanadium, or 0.15 percent of zirconium.

All products that meet the physical and chemical description provided

above are within the scope of this investigation unless otherwise excluded. The following products, by way of example, are outside or specifically excluded from the scope of this investigation: level exceeding 2.25 percent.

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including, e.g., ASTM specifications A543, A387, A514, A517, A506).
- Society of Automotive Engineers (SAE)/American Iron and Steel Institute (AISI) grades of series 2300 and higher.
- Ball bearings steels, as defined in the HTS.
- Tool steels, as defined in the HTS.
- Silico-manganese (as defined in the HTS) or silicon electrical steel with a silicon
- ASTM specifications A710 and A736.
- USS Abrasion-resistant steels (USS AR 400, USS AR 500).
- All products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507).
- Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTS.

The merchandise subject to this investigation is classified in the HTS at subheadings: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, and 7211.19.75.90. Certain hot-rolled flat-rolled carbon steel flat products covered by this investigation, including: vacuum degassed fully stabilized; high strength low alloy; and the substrate for motor lamination steel may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.00.00. Subject merchandise may also enter under 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7212.40.10.00, 7212.40.50.00, and

7212.50.00.00. Although the HTS subheadings are provided for convenience and U.S. Customs purposes, the written description of the merchandise under investigation is dispositive.

#### **Date of Sale**

SSI states that in the home market, customers submitted purchase orders and SSI issued order confirmations, but that it was not uncommon for both quantity and value to change between the order confirmations and the issuance of the commercial invoice (which occurred at the time of shipment for home market sales). Based upon the above information, we have preliminarily determined that the invoice date is the appropriate date of sale for home market sales.

For U.S. sales, SSI has indicated that the appropriate date of sale is the date of the final commercial invoice, which is essentially the bill of lading date. However, due to an accounting error, SSI did not record the final commercial invoice dates as the bill of lading dates in its accounting system during the POI; instead, the final commercial invoice dates were recorded as the same date as the pre-shipment invoices. Thus, SSI has requested that the Department use the bill of lading date, which is the date of shipment, as a surrogate for the invoice date because this date most closely corresponds to the date of issuance of the final commercial invoice. As to whether the invoice date or the contract date better represents the date of sale, SSI has indicated that the quantity and price terms frequently change after the contract date, whereas the terms of sale do not change after the invoice date. SSI therefore concludes that the terms of sale are established on the date of the final commercial invoice.

We have examined whether the final commercial invoice date or some other date better represents the date on which the material terms of sale were established. The Department has examined the information submitted by SSI concerning the company's initial contracts, final contracts, pre-shipment invoices, and final commercial invoices for its U.S. sales, and has found that the material terms of sale are set at the final contract date. Specifically, we find that the changes in quantity and price referred to by SSI occur after the initial contract date, but not after the final contract date. We note, however, that in some instances there were changes in quantity after the final contract date. We find these changes to be minimal and to have affected a relatively insignificant volume of subject merchandise shipped to the United States. Moreover, unit

prices for the products did not change between the final contract date and invoice date. For business proprietary details of our analysis of the date of sale issue, see Memo to the File regarding Antidumping Duty Investigation on Certain Hot-Rolled Carbon Steel Flat Products from Thailand; Preliminary Determination Analysis for Sahaviriya Steel Industries, Inc. (April 23, 2001) (Analysis Memo). Moreover, we find no basis to use a surrogate date of sale, such as shipment date (bill of lading date), where another date establishes the terms of sale. Accordingly, for U.S. sales, we have preliminarily determined that the final contract date is the appropriate date of sale in this investigation because it better represents the date upon which the material terms of sale were established.

#### **Product Comparisons**

Pursuant to section 771(16) of the Act, all products produced by the respondent that are within the scope of the investigation, above, and were sold in the comparison market during the POI, are considered to be foreign like products. We have relied on eleven criteria, in descending order of importance, to match U.S. sales of subject merchandise to comparison-market sales of the foreign like product: whether painted or not, quality, carbon content level, yield strength, thickness, width, whether coil or cut sheet, whether temper rolled or not temper rolled, whether pickled or not pickled, whether mill-edge or trimmed, and with or without patterns in relief. 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, based on the characteristics and characteristic subcategories indicated in the Department's January 4, 2001, questionnaire.

#### **Facts Available (FA)**

##### *SSM*

As noted above under "Case History," SSM failed to respond to the Department's antidumping questionnaire. Section 776(a)(2)(A) of the Act provides that "if any interested party or any other person—(A) withholds information that has been requested by the administering authority \* \* \*, (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782, (C) significantly impedes a proceeding under this title, or (D)

provides such information but the information cannot be verified as provided in section 782(i), the administering authority \* \* \* shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title." The statute requires that certain conditions be met before the Department may resort to the facts otherwise available. Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain the deficiency. If the party fails to remedy the deficiency within the applicable time limits, the Department may, subject to 782(e), disregard all or part of the original and subsequent responses, as appropriate. Briefly, section 782(e) provides that the Department "shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all the applicable requirements established by the administering authority" if the information is timely, can be verified, is not so incomplete that it cannot be used, and if the interested party acted to the best of its ability in providing the information. Where all of these conditions are met, and the Department can use the information without undue difficulties, the statute requires it to do so.

In this proceeding, SSM provided no response to the Department's antidumping questionnaire. Because SSM provided no information whatsoever, sections 782 (d) and (e) of the Act are not applicable, and the Department is required to resort to the use of facts available for this respondent, in accordance with 776(a)(2)(A) of the Act. Moreover, we note that at no time did SSM contact the Department and state it was having difficulty responding to the questionnaire or otherwise explain why it could not provide the requested information. On January 25, 2001, we contacted counsel for SSM to inquire if SSM would be submitting a response to Section A of the Department's antidumping questionnaire. Counsel confirmed that SSM would not be filing any such response. See Memorandum to the File from Angelica Mendoza (January 25, 2001). Thus, we have also determined that this respondent has not cooperated to the best of its ability. Therefore, pursuant to section 776(b) of the Act, we used an adverse inference

in selecting a margin from the FA. As FA, the Department has applied a margin rate of 20.30 percent, the highest alleged margin based on our recalculation for Thailand in the petition. See Memorandum from Joseph A. Spetrini to Bernard T. Carreau, Certain Hot-Rolled Carbon Steel Flat Products from Thailand: Preliminary Determination of Sales at Less Than Fair Value—The Use of Facts Available for Siam Strip Mill Public Co. Ltd, and the Corroboration of Secondary Information, dated April 23, 2001 (Facts Available Memorandum).

Section 776(c) of the Act provides that where the Department selects from among the facts otherwise available and relies on “secondary information,” such as the petition, the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department’s disposal. The Statement of Administrative Action accompanying the URAA, H.R. Doc. No. 103–316, (1994) (hereinafter, the SAA) states that “corroborate” means to determine that the information used has probative value. See SAA at 870.

In this proceeding, we considered the petition information the most appropriate record information to use to establish the dumping margins for this uncooperative respondent because, in the absence of verifiable data provided by SSM, the petition information is the best approximation available to the Department of SSM’s pricing and selling behavior in the U.S. market. In accordance with section 776(c) of the Act, we sought to corroborate the data contained in the petition.

To corroborate the margin calculations in the petition, we examined the data relied upon in making those calculations. The export prices (EP) in the petition were based on import values compiled by the U.S. Customs Service. These data are from publicly available sources (i.e., official U.S. government statistics). Therefore, we find that the U.S. price from the petition margin is sufficiently corroborated.

For the normal value (NV) calculation, petitioners relied upon constructed value (CV), consisting of cost of manufacture (COM), selling, general, administrative expenses (SG&A), interest expenses, and profit. Petitioners based depreciation, SG&A, interest, and profit on publicly available financial statements of a Thai steel producer (SSI, a respondent in this investigation). Therefore, because these data are based on publicly available financial statements, we find them to be sufficiently corroborated. Petitioners calculated COM based on their own

production experience, adjusted for known differences between costs incurred to produce HR in the United States and Thailand using publicly available data. To corroborate these data, we compared it to the reported COM of SSI and its affiliates. Our analysis showed that the petitioners’ reported costs were reasonably close to the data submitted by SSI and its affiliates. Based on this analysis, we find that the COM data used in the antidumping petition have probative value. See Facts Available Memorandum.

#### Fair Value Comparisons for SSI

To determine whether sales of certain hot-rolled carbon steel flat products from Thailand were made in the United States at LTFV, we compared the EP to the NV, as described in the Export Price and Normal Value sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated POI weighted-average EPs for comparison to POI weighted-average NVs.

#### Export Price

We used EP methodology in accordance with section 772(a) of the Act because SSI sold the merchandise under investigation directly to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States prior to the date of importation, and because a CEP methodology was not otherwise indicated. We based EP on packed prices to the first unaffiliated customer. In accordance with section 772(c)(2), we made deductions from the starting price for movement expenses, including foreign inland freight and customs brokerage and handling.

#### Normal Value

##### A. Selection of Comparison Market

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., whether the aggregate quantity of the foreign like product is equal to or greater than five percent of the aggregate quantity of U.S. sales), we compared SSI’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) of the Act. Since SSI’s aggregate quantity of home market sales of the foreign like product was greater than five percent of its aggregate quantity of U.S. sales for the subject merchandise, we determined that the home market was viable for SSI. Therefore, we have based NV on home

market sales in the usual commercial quantities and in the ordinary course of trade.

##### A. Affiliate Party Transactions and Arm’s Length Test

To test whether sales to affiliated end-user customers are made at arm’s length prices, we compare, on a model-specific basis, the prices of sales to affiliated customers with sales to unaffiliated customers net of all movement charges, billing adjustments, discounts, direct selling expenses, and packing. Where, for the tested models of foreign like product, prices to the affiliated party are on average 99.5 percent or more of the price to unaffiliated parties, we determine that such sales are made at arm’s length prices. See 19 CFR 351.403(c); see also Antidumping Duties; Countervailing Duties Final Rule, 62 FR 27355 (May 19, 1997).

If these affiliated party sales satisfied the arm’s-length test, we used them in our analysis. Merchandise sold to affiliated customers in the home market made at non-arm’s length prices were excluded from our analysis because we considered them to be outside the ordinary course of trade. See 19 CFR 351.102. Where the exclusion of such sales eliminated all sales of the most appropriate comparison product, we made a comparison to the next most similar model.

##### C. Cost of Production Analysis

Based on our analysis of the cost allegations submitted by petitioners in the original petition, the Department found reasonable grounds to believe or suspect that Thai producers had made sales of HR in the home market at prices below the cost of producing the merchandise, in accordance with section 773(b)(2)(A)(i) of the Act. As a result, the Department initiated an investigation to determine whether respondents made home market sales during the POI at prices below their cost of production (COP) within the meaning of section 773(b) of the Act. We conducted the COP analysis described below.

##### 1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of SSI’s cost of materials and fabrication for the foreign like product, plus amounts for home market selling, general and administrative expenses (SG&A), interest expenses, and packing costs. The Department relied on the COP and CV data submitted by SSI on February 26, 2001 with the exception of the following: (1) SSI reported a SG&A

expense ratio that was derived using POI information (i.e., three-months of 1999 and nine-months of 2000). In accordance with our established practice, we recalculated SSI's SG&A expense ratio using information from the company's audited financial statements; (2) SSI reported a financial expense ratio that was derived using unconsolidated POI information (i.e., three-months of 1999 and nine-months of 2000). In accordance with our established practice, we recalculated SSI's financial expense ratio using information from its consolidated financial statements. See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon-Quality Steel Plate Products from France, 64 FR 73143, 73152 (Dec. 29, 1999). This practice has been upheld by the Court of International Trade. See *Gulf States Tube v. United States*, 981 F. Supp. 630 (CIT 1997).

## 2. Test of Home Market Sales Prices

We compared the weighted-average COP for SSI 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 would not permit 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 billing adjustments.

## 3. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of SSI'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 SSI'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, in accordance with section 773(b)(2)(C)(i) of the Act, within an extended period of time. In such cases because we compared prices to weighted-average COPs for the POI, we also determined that such sales were made at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D)

of the Act. Therefore, we disregarded those below-cost sales.

## D. Price-to-Price Comparison

We based NV for SSI on prices of home market sales that passed the COP test. We made deductions for billing adjustments and discounts. We made deductions, where appropriate, for inland freight and inland insurance, pursuant to section 773(a)(6)(B) of the Act. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act, and 19 CFR 351.411. In accordance with section 773(a)(6) of the Act, we deducted home market packing costs and added U.S. packing costs. In accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410, we made circumstances of sale (COS) adjustments for imputed credit expense, interest revenue, and warranties. For the calculation of imputed credit expense, we based credit days on the number of days between estimated shipment from the plant and payment date, rather than the number of days between shipment from the port and payment date (see Analysis Memo). We also re-coded all home market and U.S. sales that incurred warranty expenses. For further information, see Analysis Memo.

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

To determine whether NV sales are at a different LOT than EP, 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 a LOT adjustment pursuant to section 773(a)(7)(A) of the Act. See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa, 62 FR 61731 (November 19, 1997).

In determining whether separate LOTs actually existed in the home market for the respondent, we examine whether the respondent's sales involved different marketing stages (or their equivalent) based on the channel of distribution, customer categories, and selling functions (or services offered) to each customer or customer category, in both markets.

SSI claimed one LOT in the U.S. and two LOTs in the home market: LOT 1 includes direct sales to end-users, trading companies, and service centers; and LOT 2 includes all sales made through its affiliates. SSI claimed that all U.S. sales are at the same LOT as LOT 1 in the home market. SSI reported four channels of distribution for home market sales made through LOT 1 and LOT 2. The first channel of distribution was sales made through unaffiliated trading companies with one customer category (i.e., end-users). The second channel of distribution was sales made through affiliated trading companies with two customer categories (i.e., end-users and service centers). The third channel of distribution was direct sales with one customer category (i.e., unaffiliated end-users). The fourth channel of distribution was direct sales with one customer category (i.e., end-users/resellers).

In analyzing SSI's selling activities for its home market and U.S. market, we determined that essentially the same services were provided for both markets. Due to the proprietary nature of the levels of these selling activities, for further analysis, see Analysis Memo. Therefore, based upon this information, we have preliminarily determined that the LOT for all EP sales is the same as the LOT for all sales in the home market. Accordingly, because we find the U.S. sales and home market sales to be at the same LOT, no LOT adjustment under section 773(a)(7)(A) of the Act is warranted for SSI.

## Currency Conversions

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**

In accordance with section 782(i) of the Act, we intend to verify information to be used in making our final determination.

**All Others**

Pursuant to sections 733(d)(1)(A)(ii) and 735(c)(5)(A) of the Act, the estimated all-others rate is equal to the estimated weighted average dumping margin established for SSI, the only exporter/producer investigated.

**Suspension of Liquidation**

In accordance with section 733(d)(2) of the Act, the Department will direct the U.S. Customs Service to suspend liquidation of all entries of HR producers from Thailand, 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 U.S. Customs Service to require a cash deposit or posting of a bond equal to the estimated preliminary dumping margin indicated in the chart below. This suspension of liquidation will remain in effect until further notice. The weighted-average dumping margins in the preliminary determination are as follows:

Exporter/manufacture	Margin (percent)
SSI .....	7.48
SSM .....	20.30
All Others .....	7.48

**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, 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 threatening material injury to, the U.S. industry.

**Public Comment**

Case briefs for this investigation must be submitted no later than one week after the issuance of the verification reports. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. In the event that the Department receives requests for hearings from parties to several HR cases, the Department may schedule a single hearing to encompass all those cases. 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 participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide 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 no later than 75 days after the date of this preliminary determination.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: April 23, 2001.

**Bernard T. Carreau,**

*Deputy Assistant Secretary, Import Administration.*

[FR Doc. 01-10855 Filed 5-2-01; 8:45 am]

**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-583-835]

**Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products From Taiwan**

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

**ACTION:** Notice of preliminary determination of sales at less than fair value.

**EFFECTIVE DATE:** May 3, 2001.

**FOR FURTHER INFORMATION CONTACT:** Patricia Tran or Robert James at (202) 482-1121 and (202) 482-0649, respectively, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:**

**Preliminary Determination**

We preliminarily determine that certain hot-rolled carbon steel flat products from Taiwan 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 Tariff Act. The estimated margin of sales at LTFV is shown in the "Suspension of Liquidation" section of this notice.

**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 to the Tariff Act of 1930 (the Tariff Act) by the Uruguay Round Agreements (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 1, 2000).

**Case History**

On December 4, 2000, the Department initiated antidumping investigations of certain hot-rolled carbon steel flat products from Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China, Romania, South Africa, Taiwan, Thailand, and Ukraine. See *Notice of Initiation of Antidumping Duty Investigations: Certain Hot-Rolled Carbon Steel Flat Products from Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China, Romania, South Africa, Taiwan, Thailand, and Ukraine*, 65 FR 77568 (December 12,