zero or *de minimis* or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated ''all others'' rate for exporters and producers not individually investigated. Our recent practice under these circumstances has been to assign, as the ''all others'' rate, the simple average of the margins in the petition. *See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coil from Canada (Plate from Canada)*, 64 FR 15457 (March 31, 1999); *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coil from Italy (Plate from Italy)*, 64 FR 15458, 15459 (March 21, 1999). For purposes of this preliminary determination, we are basing the ''all others'' rate on the simple average of margins in the petition, which is 112.56 percent.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the U.S. Customs Service (Customs) to suspend liquidation of all entries of cold-rolled steel from Japan that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We are also instructing Customs to require a cash deposit or the posting of a bond equal to the dumping margin, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

Manufacturer/exporter	Margin (percent)
Kawasaki Steel Corporation	115.22
Nippon Steel Corporation	115.22
All Others	112.56

Disclosure

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties of the proceedings in these investigations in accordance with 19 CFR 351.224(b).

ITC Notification

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

Public Comment

Unless otherwise directed by the Department, case briefs must be submitted no later than 50 days after the publication of this notice in the **Federal Register**. 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. Public versions of all comments and rebuttals should be provided to the Department and made available on diskette. 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. 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 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 in the investigation of cold-rolled steel from Japan no later than 75 days after the date of this preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: April 26, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02–11189 Filed 5–8–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–848]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Korea

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

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

SUMMARY: We preliminarily determine that certain cold-rolled carbon steel flat products (''cold-rolled steel'') from Korea are being, or are likely to be, sold in the United States at less than fair value (''LTFV''), as provided in section 733(b) of the Tariff Act of 1930, as amended.

Interested parties are invited to comment on this preliminary determination.

EFFECTIVE DATE: May 9, 2002.

FOR FURTHER INFORMATION CONTACT: Brian Ledgerwood or Mark Young, AD/CVD Enforcement Office VI, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–3836 or (202) 482–6397, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (''the Act''), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce (''Department's'') regulations are to 19 CFR part 351 (April 2001).

Case History

On October 18, 2001, the Department initiated antidumping duty investigations on cold-rolled steel (*See Notice of Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela,* 66 FR 54198 (October 26, 2001)) (*Initiation Notice*).

On October 18, 2001, based on information provided in the petition, we found ''reasonable grounds to believe or suspect'' that sales of the foreign like products in Korea were made at prices below the cost of production (''COP'') within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department initiated a country-wide cost investigation on sales of the foreign like products in this market. Since the initiation of this investigation the following events have occurred.

On October 31, 2001, we solicited comments from interested parties regarding the criteria to be used for model-matching purposes, and we received comments on our proposed matching criteria on November 8, 2001 from the petitioners and respondents. On November 26, 2001, we informed respondents of our revised model match criteria.

On November 13, 2001, the United States International Trade Commission (''ITC'') preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela of cold-rolled steel products. *See Certain Cold-Rolled Steel Products From Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela,* 66 FR 57985 (November 19, 2001).

On November 16, 2001, the Department issued an antidumping questionnaire to Pohang Iron & Steel CO. Ltd. (''POSCO'') and Dongbu Steel Co., Ltd., (''Dongbu'').[1] The petitioners made an allegation of sales below COP in the petition. Based on the factual information contained in the petition, we found ''reasonable grounds to believe or suspect'' that sales below cost occurred. *See Initiation Notice* 66 FR at 54212–13. Accordingly, the Department initiated the requested country-wide cost investigation.

On November 29, 2001, we made a final determination and consequently selected POSCO and Dongbu, the largest two producers/exporters of cold-rolled steel from Korea, as the mandatory respondents in this proceeding. For further discussion, see the memorandum to Melissa Skinner, Director, Office 6, from Mark Young: *Selection of Respondents,* dated November 29, 2001 (''*Selection of Respondents Memo*'').

On December 7, 2001, and January 14, 2002, Nucor Corporation, Steel Dynamics, Inc., WCI Steel, Inc., and Weirton Steel Company [2] made submissions requesting that the Department make an expedited finding that critical circumstances exist with respect to imports from Korea. *See* Critical Circumstances section below for further discussion.

During the period December 2001 through April 2002, the Department received responses from POSCO and Dongbu regarding the Department's original and supplemental questionnaires.

On February 5, 2002, the respondents submitted comments regarding petitioners' December 7, 2001 and January 14, 2002 letters alleging that critical circumstances exist with respect to imports of subject merchandise from Korea. Respondents' comments regarding POSCO were inadvertently omitted from the Departments' preliminary determination of critical circumstances (*see Critical Circumstances* section, *infra*). Accordingly, we addressed respondents' comments through a memo to the file. *See Memorandum to File, from Mark Manning: Respondents' Arguments Concerning the Preliminary Determination of Affirmative Critical Circumstances,* dated April 26, 2002. Moreover, on April 12, 2002 the petitioners' submitted a letter with additional comments in support of their request for an expedited finding that critical circumstances exist. However, the petitioners' letter arrived after our preliminary critical circumstance finding had been signed, therefore we will address petitioners' comments in our final determination.

On February 7, 2002, pursuant to 19 CFR 351.205(e), Bethlehem Steel Corporation, National Steel Corp., and United States Steel Corporation made a timely request to postpone the preliminary determination. We granted this request on February 22, 2002, and postponed the preliminary determination until no later than April 26, 2001. (*See Postponement of Preliminary Determinations of Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products from Argentina (A–357–816), Australia (A–602–804), Belgium (A–423–811), Brazil (A–351–834), the People's Republic of China (A–570–872), France (A–427–822), Germany (A–428–834), India (A–533–826), Japan (A–588–859), Korea (A–580–848), the Netherlands (A–421–810), New Zealand (A–614–803), Russia (A–821–815), South Africa (A–791–814), Spain (A–469–812), Sweden (A–401–807), Taiwan (A–583–839), Thailand (A–549–819), Turkey (A–489–810) and Venezuela (A–307–822),* 67 FR 8227 (February 22, 2002).)

On April 3, 16, and 18, 2002, petitioners submitted comments regarding POSCO's U.S. selling practices through a Korean trading company and both companies' U.S. affiliates (*i.e.,* ''U.S. Channel 3'' sales). On April 11, 2002, POSCO submitted comments in rebuttal to petitioners' April 3, 2002 comments. *See* ''POSCO's U.S. Channel 3 Sales'' in the Export Price section below for further discussion.

On April 9, 2002, petitioners submitted comments on POSCO and its affiliates. On April 12 and 15, 2002, petitioners submitted comments on Dongbu and its affiliates.

On April 15, 2002, respondents submitted rebuttal comments to the petitioners' April 9, 2002 submission regarding POSCO. On April 18, 2002, respondents submitted rebuttal comments to the petitioners' April 12 and 15, 2002 submission regarding Dongbu.

On April 17, 2002, respondents submitted comments on the Department's preliminary determination of critical circumstances (*see Critical Circumstances* section, *infra*).

On April 18, 2002, petitioners submitted comments on POSCO's April 11, 2002 rebuttal comments.

Critical Circumstances

On April 10, 2002, the Department preliminarily determined that critical circumstances exist with respect to all imports of cold-rolled steel from Korea except for those from Dongbu, (*i.e.,* POSCO and all others). *See Memorandum From Bernard Carreau to*

[1] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (this section is not applicable to respondents in non-market economy (NME) cases). Section C requests a complete listing of U.S. sales. Section D requests the cost of production and constructed value for the subject merchandise that the company sold and/or produced during the POI. The costs reported in a section D response are reported on a product specific basis (*i.e.,* CONNUM specific basis).

[2] The complete list of petitioners in this investigation are: Bethlehem Steel Corporation, LTV Steel Company Inc., National Steel Corporation, Nucor Corporation, Steel Dynamics, Inc., United States Steel Corporation, WCI Steel, Inc., and Weirton Steel Corporation, (collectively ''the petitioners'').

Faryar Shirzad Re: Preliminary Affirmative Determinations of Critical Circumstances; see also Notice of Preliminary Determination of Critical Circumstances: Certain Cold-Rolled Carbon Steel Flat Products From Australia, the People's Republic of China, India, the Republic of Korea, the Netherlands, and the Russian Federation, 67 FR 19157 (April 18, 2002) (*Critical Circumstances Notice*).

Scope of Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products. For a full description of the scope of this investigation, as well as a complete discussion of all scope exclusion requests submitted in the context of the on-going cold-rolled steel investigations, please see the ''Scope Appendix'' attached to the *Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Argentina,* published concurrently with this preliminary determination.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2) of the Act permits the Department to investigate either (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume of the subject merchandise that can reasonable be examined. Using company-specific export data for the period of investigation (''POI''), which we obtained from a variety of sources under the Harmonized Tariff Schedules of the United States number that corresponds to the subject merchandise, we found that thirty producers/exporters from Korea may have exported cold-rolled steel to the Untied States during the POI. According to the data on the record, POSCO and Dongbu represented more than 80 percent of the imports during the POI. Due to limited resources, we determined that we could only investigate the two largest producers/exporters. See, *Selection of Respondents Memo.* Therefore, we designated POSCO and Dongbu as the mandatory respondents and sent both companies the Department's antidumping questionnaire.

Period of Investigation

The POI is July 1, 2000, through June 30, 2001.

Fair Value Comparisons

To determine whether sales of cold-rolled steel from Korea to the United States were made at LTFV, we compared the export price (''EP'') or constructed export price (''CEP'') to the normal value (''NV''), as described in the ''Export Price,'' ''Constructed Export Price,'' and ''Normal Value'' sections of this notice below. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI weighted-average EPs and CEPs to weighted-average NVs.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced and sold by the respondents in the home market during the POI that fit the description in the ''Scope of Investigation'' section of this notice to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales made in the home market, where appropriate. Where there were no sales of identical merchandise in the home market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondents in the following order of importance: hardening and tempering, paint, carbon level, quality, yield strength, minimum thickness, thickness tolerance, width, edge finish, form, temper rolling, leveling, annealing, surface finish, specification, and grade or type.

Export Price

We calculated EP for POSCO and Dongbu, in accordance with section 772(a) of the Act, for those sales where the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation by the exporter or producer outside the United States, or to an unaffiliated purchaser for exportation to the United States, based on the facts of record. We based EP on the packed delivered price to unaffiliated purchasers in the United States. Where appropriate, we made adjustments for price-billing errors and freight revenue. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, ocean freight, marine insurance, U.S. brokerage and handling (including bank and wharfage charges for POSCO), and U.S. customs duties (including harbor maintenance fees and merchandise processing fees).

POSCO's ''U.S. Channel 3'' EP Sales

On April 3, 16, and 18, 2002, petitioners submitted comments regarding POSCO's U.S. selling practices through a Korean trading company and both companies' U.S. affiliates, expressing concern that POSCO may have dumped subject merchandise through a particular channel by way of a middleman or other questionable means (*i.e.,* ''U.S. Channel 3'' sales). On April 11, 2002, POSCO submitted comments in rebuttal to petitioners' April 3, 2002 comments.

The petitioners state that the Department needs to collect additional data to evaluate POSCO's ''U.S. Channel 3'' transactions in greater detail. Moreover, petitioners claim the data and analysis POSCO submitted in its April 11, 2002 submission indicate that POSCO has the ability to provide the Department with the information and data it needs to adequately address the issues raised about these sales. On April 17, 2002, the Department issued a supplemental questionnaire to POSCO which specifically addresses the Department's concerns about these sales. POSCO's reply to this request for information was not available in time for purposes of making our preliminary determination, but we will continue to collect information as necessary and parties are encouraged to comment on this topic for the final determination.

Constructed Export Price

For POSCO and Dongbu, in accordance with section 772(b) of the Act, we calculated CEP for those sales where the merchandise was 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, or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter.

We based CEP on the packed delivered prices to unaffiliated purchasers in the United States. Where appropriate, we made adjustments for price-billing errors. We also made deductions for movement expenses, in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight, ocean freight, marine insurance, U.S. brokerage and handling, and U.S. customs duties (including harbor maintenance fees and merchandise processing fees). For further discussion,

see the Sales Calculation Memorandum, dated April 26, 2002 (''Calculation Memorandum''). In accordance with section 772(d)(1) of the Act and 19 CFR 351.402(b), we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (commissions and imputed credit costs), and indirect selling expenses (including inventory carrying costs).

Pursuant to section 772(d)(3) of the Act, we further reduced the starting price by an amount for profit to arrive at CEP. In accordance with section 772(f) of the Act, we calculated the CEP profit rate using the expenses incurred by POSCO and Dongbu, respectively, and their affiliates on their sales of the subject merchandise in the United States and the foreign like product in the home market and the profit associated with those sales.

Normal Value

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, we compared each 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. Because each respondent'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 market was viable for the respondent.

B. Arm's Length Test

For POSCO sales to affiliated customers for consumption in the home market which were determined not to be at arm's length were excluded from our analysis. To test whether these sales were made at arm's length, for both Dongbu and POSCO we compared the prices of sales of comparison products to affiliated and unaffiliated customers, net of all movement charges, direct selling expenses, discounts, and packing. Pursuant to 19 CFR 351.403(c) and in accordance with our practice, where the prices to the affiliated party were on average less than 99.5 percent of the prices to unaffiliated parties, we determined that the sales made to the affiliated party were not at arm's length. *See e.g., Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Roller Chain, Other Than Bicycle, From Japan,* 62 FR at 60472, 60478 (November 10, 1997), and *Antidumping Duties; Countervailing Duties: Final Rule* (''Antidumping Duties''), 62 FR at 27295, 27355–56 (May 19, 1997). We included in our NV calculations those sales to affiliated customers that passed the arm's length test in our analysis. *See* 19 CFR 351.403; *Antidumping Duties,* 62 FR at 27355–56.

C. Cost of Production Analysis

Based on our analysis of an allegation contained in the petition, we found that there were reasonable grounds to believe or suspect that POSCO and Dongbu were selling cold-rolled steel in the home market at prices below their respective COPs. Accordingly, pursuant to section 773(b) of the Act, we initiated a country-wide sales-below-cost investigation to determine whether sales were made at prices below their respective COPs (*see Initiation Notice* at 66 FR 54198, 54206).

1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the cost of materials and fabrication for the foreign like product, plus an amount for general and administrative expenses (''G&A''), including interest expenses, and home market packing costs (*see* ''Test of Home Market Sales Prices'' section below for treatment of home market selling expenses). We relied on the COP data submitted by each respondent except for the following adjustments:

Dongbu

1. We adjusted Dongbu's reported G&A expense to exclude gain on sale of land from the calculation of the G&A expense rate.

2. We adjusted Dongbu's reported interest expense rate. We used Dongbu's consolidated audited financial statements figures in the calculation of the interest expense rate.

POSCO

1. We revised POSCO's reported G&A expenses to exclude the gains on disposition of marketable securities, the gains on valuation of marketable securities, and the reversal of the allowance for bad debt. We also included foreign currency exchange gains on accounts payable and other foreign currency exchange losses in the reported G&A expense to calculate the G&A expense rate.

2. We revised POSCO's reported consolidated financial expense to include foreign currency exchange losses from loans payable and foreign currency exchange gains from cash to calculate the financial expense rate. *See* Memorandum from Ji Young Oh and Ernest Gziryan to Neal Halper, Director, Office of Accounting, dated April 26, 2002, Re: Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination (''Cost Calculation Memorandum'').

2. Test of Home Market Sales Prices

On a product-specific basis, we compared the adjusted weighted-average COP to the home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether the sales prices were below the COP. The prices were exclusive of any applicable movement charges, rebates, discounts, and direct and indirect selling expenses. In determining whether to disregard home market sales made at prices less than their COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, 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.

3. Results of the COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of the respondent's sales of a given product are at prices less than the COP, we do not disregard any below-cost sales of that product, because we determine that in such instances the below-cost sales were not made in ''substantial quantities.'' Where 20 percent or more of a respondent's sales of a given product during the POI are at prices less than the COP, we determine that in such instances the below-cost sales represent ''substantial quantities'' within an extended period of time, in accordance with section 773(b)(1)(A) of the Act. In such cases, we also determine whether 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)(1)(B) of the Act.

We found that, for certain specific products, more than 20 percent of POSCO's and Dongbu's home market sales were at prices less than the COP and, in addition, such sales did not provide for the recovery of costs within a reasonable period of time. We therefore excluded these sales and used the remaining sales, if any, as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

D. Calculation of Normal Value Based on Comparison Market Prices

We calculated NV based on delivered prices to unaffiliated customers. We

made deductions, where appropriate, from the starting price for early payment discounts. We also made deductions for movement expenses, including inland freight (plant to distribution warehouse, plant/warehouse to customer, and affiliated reseller to customer) and warehousing under section 773(a)(6)(B)(ii) of the Act. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410 for differences in circumstances of sale for imputed credit expenses and commissions.

Furthermore, we made adjustments for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. We also deducted home market packing costs and added U.S. packing costs in accordance with section 773(a)(6)(A) and (B) of the Act. Finally, for comparisons to POSCO's CEP sales, we made a CEP offset pursuant to section 773(a)(7)(B) of the Act and 19 CFR 351.412(f). We calculated the CEP offset as the lesser of the indirect selling expenses on the comparison-market sales or the indirect selling expenses deducted from the starting price in calculating CEP.

E. Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade (''LOT'') as the EP or CEP transaction. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). See 19 CFR 412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *Id.; See also Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997). In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system, for each respondent, in each market (*i.e.*, the ''chain of distribution''),[3] including selling functions, class of customer (''customer category''), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying levels of trade for EP and comparison market sales (*i.e.*, NV based on either home market or third country prices[4]), we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. *See Micron Technology, Inc. v. United States*, Court Nos. 00–1058, 00–1060 (Fed. Cir. 2001).

When the Department is unable to find sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing EP or CEP sales to sales at a different LOT in the comparison market, where available data make it practicable, we make a LOT adjustment under section 773(a)(7)(A) of the Act if the difference in level of trade is demonstrated to affect price comparability. For CEP sales only, if a NV LOT is more remote from the factory than the CEP LOT, and there is no basis for determining whether the difference in LOTs between NV and CEP affected price comparability (*i.e.*, no LOT adjustment was practicable), the Department will grant a CEP offset, as provided in section 773(a)(7)(B) 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).

We obtained information from each respondent regarding the marketing stages involved in making the reported home market and U.S. sales, including a description of the selling activities performed by each respondent for each channel of distribution. Company-specific LOT analyses containing business proprietary information are incorporated into the company-specific calculation memoranda. Company-specific LOT findings are summarized below.

1. *POSCO*

POSCO reported home market sales through three channels of distribution and to three customer categories. We examined the chain of distribution and the selling activities associated with sales reported by POSCO to each of its customer categories in the home market. We found that these three categories (service centers, trading companies, and end-users) did not differ significantly from each other with respect to selling activities,[5] although there were slight differences between them for meeting with customers and inventory management. *See* Appendix A–6 of POSCO's response to the Department's questionnaire, dated December 14, 2001. Based on our overall analysis, we found that POSCO performs virtually the same selling functions with the same intensity for all its home market customers regardless of their channel of distribution in the home market. Therefore, we preliminarily determine that POSCO made home market sales at one LOT during the POI.

In the U.S. market, POSCO made EP and CEP sales through three channels of distribution and one customer category (trading companies). We examined the chain of distribution and the selling activities associated with sales reported by POSCO to trading companies in the U.S. market. The information on the record demonstrates that the selling activities that POSCO reported for its sales through U.S. channels 1 and 2 (*i.e.*, POSCO's CEP sales) differed significantly from its sales through U.S. channel 3 (*i.e.*, POSCO's EP sales). In particular, for POSCO's EP sales, POSCO performs all categories of selling functions. However, for POSCO's CEP sales, there are several selling functions that POSCO's U.S. affiliate, Pohang Steel America Corp. (''POSAM'') is heavily involved in and performs exclusively: POSAM negotiates the sales terms, meets with customers, invoices unaffiliated customers, performs market research, handles importation documents, serves as importer of record, pays U.S. customs duties and wharfage, and extends credit for CEP sales.

Based on our overall analysis, we found that the three U.S. market sales channels constituted two different levels of trade (U.S. LOT 1 for U.S. channels 1 and 2, and U.S. LOT 2 for channel 3). We then compared the U.S. LOTs to the home market LOT. We preliminarily determine that U.S. channel 3 and home market channels 1, 2, and 3 are at the same LOT because the selling functions that POSCO provides are virtually the same in both markets and do not vary according to whether subject merchandise is

[3] The marketing process in the United States and comparison markets begins with the producer and extends to the sale to the final user or consumer. The chain of distribution between the two may have many or few links, and the respondent's sales occur somewhere along this chain. In performing this evaluation, we considered the narrative responses of the respondent to properly determine where in the chain of distribution the sale appears to occur.

[4] Where NV is based on constructed value (''CV''), we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, G&A and profit for CV, where possible.

[5] POSCO performs the following selling functions in the home market: Negotiates sales price, invoices customers, meets with customers, freight and delivery arrangement, inventory maintenance, technical advice, arranging customer credit, market research, warranty services, engineering services, research and development, technical programs, advertising, and packing services.

ultimately destined for the U.S. market or the home market. Thus, we matched U.S. LOT 2 sales with sales in the home market and made no LOT adjustment.

U.S. LOT 1 (*i.e.*, POSCO's CEP sales) differed considerably from the home market LOT with respect to selling activities. As noted above, approximately half of the U.S. selling functions, otherwise performed by POSCO, were performed by POSAM. The information on the record demonstrates that the selling activities that POSCO reported for its sales through U.S. channels 1 and 2 (*i.e.*, POSCO's CEP sales) differed significantly from its sales through U.S. channel 3 (*i.e.*, POSCO's EP sales). In particular, for POSCO's EP sales, POSCO performs all categories of selling functions. However, for POSCO's CEP sales, of the selling functions noted above, POSAM is heavily involved and performs exclusively the following: POSAM negotiates the sales terms, meets with customers, invoices unaffiliated customers, performs market research, handles importation documents, serves as importer of record, pays U.S. customs duties and wharfage, and extends credit for CEP sales. Thus, we found POSCO's U.S. LOT 1 (*i.e.*, CEP sales) to be different from the home market LOT and to be at a less advanced LOT than that of the home market LOT. Furthermore, we have no other information on the record that provides an appropriate basis for quantifying the difference in selling functions performed in either market in order to determine an LOT adjustment.

Thus, in accordance with section 773(a)(7)(B) of the Act and as set forth in 19 CFR 351.412(f), a CEP offset will be granted where (1) normal value is compared to CEP sales, (2) normal value is determined at a more advanced LOT than the LOT of the CEP, and (3) despite the fact that the party has cooperated to the best of its ability, the data available do not provide an appropriate basis to determine whether the difference in LOT affects price comparability. Since we have found that to be the case here with respect to POSCO, in accordance with 19 CFR 351.412(f), we are granting POSCO a CEP offset.

2. *Dongbu*

Dongbu reported home market sales through two channels of distribution and to two customer categories. We examined the chain of distribution and the selling activities associated with sales reported by Dongbu to each of its customer categories in the home market. The information on the record demonstrates that Dongbu performs virtually the same selling functions across all home market channels of distribution and customer categories. [6] *See* page A–12 of Dongbu's section A response to the Department's questionnaire, dated December 14, 2001, as well as Dongbu's March 22, 2002 supplemental response at Exhibit A–22. Based on our overall analysis, we found that Dongbu performs virtually the same selling functions with the same intensity for all its customers regardless of the channel of distribution, although there were slight differences between them in terms of the sale process (*i.e.*, sales price is determined through: (1) Typical customer/seller negotiation; or (2) via internet auction bidding process). Therefore, we preliminarily determine that Dongbu made home market sales at one LOT during the POI.

In the U.S. market, Dongbu and Dongbu U.S.A. made EP and CEP sales through four channels of distribution and to three customer categories (*i.e.*, distributors, service centers, or end users). We examined the chain of distribution and the selling activities associated with sales reported by Dongbu and Dongbu U.S.A. to distributors, service centers, and end users in the U.S. market. The information on the record demonstrates that the selling activities reported by Dongbu through U.S. channels 1 and 2 differed only slightly from U.S. channels 3 and 4. Basically, Dongbu's U.S. channels 1 and 2 involved its U.S. sales affiliate, Dongbu U.S.A. (*i.e.*, they are CEP sales), while Dongbu's U.S. channels 3 and 4 did not involve its U.S. sales affiliate, (*i.e.*, EP sales). In particular, for Dongbu's EP sales, Dongbu performs all categories of selling functions. However, for Dongbu's CEP sales, of the selling functions performed for U.S. sales, the majority are performed by Dongbu. [7] Thus, based on our overall analysis of the facts currently on the record, we found that Dongbu's four U.S. sales channels constituted a single LOT (*i.e.*, U.S. LOT 1 for U.S. channels 1, 2, 3, and 4).

Moreover, we have preliminarily determined that Dongbu's home market and U.S. LOTs are the same because the selling functions that Dongbu provides are nearly the same in each market and do not vary significantly between markets. *See* Dongbu's March 22, 2002 supplemental response at Exhibit A–22 for further discussion. Thus no LOT adjustment or CEP offset is warranted.

[6] Dongbu performs the following selling functions in the home market: Inventory maintenance, after sales service, warranties, inland freight, sales price negotiation, invoicing, and arranging customer credit.

[7] The selling functions Dongbu performs for its U.S. CEP sales are: Inventory maintenance, after sales service, warranty services, inland freight in Korea, Korean customs clearance, and international freight.

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Verification

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

Final Critical Circumstances Determination

We will make a final determination concerning critical circumstances for Korea when we make our final determination regarding sales at LTFV in this investigation, which will be no later than 75 days (unless postponed) after this preliminary determination.

Suspension of Liquidation

Based on our preliminary affirmative critical circumstances finding with respect to all imports of subject merchandise, except those produced or exported by Dongbu, we are directing the Customs Service to suspend liquidation of all entries of cold-rolled steel entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days prior to the date on which this notice is published in the **Federal Register** (*see* Critical Circumstances Notice). Furthermore, in accordance with section 733(d)(2) of the Act, we are directing the U.S. Customs Service to suspend liquidation of all imports of subject merchandise by Dongbu 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 EP or CEP, as appropriate, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice.

The weighted-average dumping margin are as follows:

Exporter/manufacturer	Weighted-average margin percentage
POSCO	5.25
Dongbu	19.03
All Others	13.84

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 threaten material injury to, the U.S. industry.

Disclosure

We will disclose the calculations used in our analysis to parties in this proceeding in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs for this investigation must be submitted to the Department no later than seven days after the date of the final verification report issued in this proceeding. Rebuttal briefs must be filed five days from the deadline date for 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. Public versions of all comments and rebuttals should be provided to the Department and made available on diskette. Section 774 of the Act provides that the Department will hold a public 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 an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held two days after the rebuttal brief deadline date 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 75 days (unless postponed) after this preliminary determination. This determination is issued and published pursuant to sections 733(f) and 777(i) of the Act.

Dated: April 26, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02–11190 Filed 5–8–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–614–803]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Cold-Rolled Carbon Steel Flat Products From New Zealand

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

EFFECTIVE DATE: May 9, 2002.

FOR FURTHER INFORMATION CONTACT: Salim Bhabhrawala or Tracy Levstik, AD/CVD Enforcement Office V, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–1784 or (202) 482–2815, respectively.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce (the Department) regulations refer to the regulations codified at 19 CFR Part 351 (April 2001).

SUPPLEMENTARY INFORMATION:

Preliminary Determination

We preliminarily determine that certain cold-rolled carbon steel flat products (cold-rolled steel) from New Zealand are being sold, or are likely to be sold, in the United States at less than fair value, as provided in section 733 of the Act. The estimated margin of sales at LTFV is shown in the Suspension of Liquidation section of this notice.

Case History

This investigation was initiated on October 18, 2001.[1] *See Notice of Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, 66 FR 54198 (October 26, 2001) (*Initiation Notice*). Since the initiation of this investigation, the following events have occurred.

On October 31, 2001, we solicited comments from interested parties regarding the criteria to be used for model-matching purposes, and we received comments on our proposed matching criteria on November 8, 2001. On November 8, 2001, we received model match comments from petitioners and respondents. On November 26, 2001, we informed NZS of our revised model match criteria.

On November 13, 2001, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that an industry in the United States is being materially injured or threatened with material injury by reason of imports from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela of certain cold-rolled steel products. *See Certain Cold-Rolled Steel Products From Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, 66 FR 57985 (November 19, 2001).

The Department issued an antidumping questionnaire to BHP New Zealand Steel Limited (NZS) on November 19, 2001.[2] During the period December 2001 through March 2002, the Department received responses to the Department's original and supplemental questionnaires.

On February 7, 2002, pursuant to 19 CFR 351.205(e), the petitioners made a timely request to postpone the

[1] The petitioners in this investigation are Bethlehem Steel Corporation, LTV Steel Company, Inc., National Steel Corporation, Nucor Corporation, Steel Dynamics, Inc., United States Steel Corporation, WCI Steel, Inc., and Weirton Steel Corporation, (collectively, the petitioners).

[2] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market. Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production of the foreign like product and the constructed value of the merchandise under investigation.