

Commerce,<sup>2</sup> no person convicted of violating the Act, or certain other provisions of the United States Code, shall be eligible to apply for or use any export license issued pursuant to, or provided by, the Act or the Export Administration Regulations (currently codified at 15 CFR parts 730–774 (2000), as amended (65 FR 14862, March 20, 2000)) (the Regulations), for a period of up to 10 years from the date of the conviction. In addition, any license issued pursuant to the Act in which such a person had any interest at the time of conviction may be revoked.

Pursuant to §§ 766.25 and 750.8(a) of the regulations, upon notification that a person has been convicted of violating the Act, the Director, Office of Exporter Services, in consultation with the Director, Office of Export Enforcement, shall determine whether to deny that person's export privileges for a period of up to 10 years from the date of conviction and shall also determine whether to revoke any license previously issued to such a person.

Having received notice of Nguyen's conviction for violating the Act, and after providing notice and an opportunity for Nguyen to make a written submission to the Bureau of Export Administration before issuing an Order denying his export privileges, as provided in § 766.25 of the regulations, I, following consultations with the Director, Office of Export Enforcement, have decided to deny Nguyen's export privileges for a period of five years from the date of his conviction. The five-year period ends on October 20, 2004. I have also decided to revoke all licenses issued pursuant to the Act in which Nguyen had an interest at the time of his conviction.

Accordinging, *it is hereby Ordered*

I. Until October 20, 2004, Son Kim Nguyen, 8662 Amy Avenue, Garden Grove, California 92841, may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States, that is subject to the regulations, or in any other activity subject to the regulations, including, but not limited to:

A. Apply for, obtaining, or using any license, License Exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying,

receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the regulations, or in any other activity subject to the regulations; or

C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the regulations, or in any other activity subject to the regulations.

II. No person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of the denied person any time subject to the regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by the denied person of the ownership, possession, or control of any time subject to the regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the denied person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the denied person of any item subject to the regulations that has been exported from the United States;

D. Obtain from the denied person in the United States any item subject to the regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the denied person, or service any item, of whatever origin, that is owned, possessed or controlled by the denied person if such service involves the use of any item subject to the regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

III. After notice and opportunity for comment as provided in 766.23 of the regulations, any person, firm, corporation, or business organization related to Nguyen by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be subject to the provisions of this Order.

IV. This Order does not prohibit any export, reexport, or other transaction

subject to the regulations where the only items involved that are subject to the regulations are the foreign-produced direct product of U.S.-origin technology.

V. This Order is effective immediately and shall remain in effect until October 20, 2004.

VI. In accordance with part 756 of the regulations, Nguyen may file an appeal from this Order with the Under Secretary for Export Administration. The appeal must be filed within 45 days from the date of this Order and must comply with the provisions of part 756 of the regulations.

VII. A copy of this Order shall be delivered to Nguyen. This Order shall be published in the **Federal Register**.

Dated: August 29, 2000.

**Eileen M. Albanese**,

*Director, Office of Exporter Services.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A–122–822, A–122–823]

#### **Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Canada: Preliminary Results of Antidumping Duty Administrative Reviews and Recission of Reviews in Part**

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

**ACTION:** Notice of preliminary results of antidumping duty administrative reviews and recission of reviews in part.

**SUMMARY:** In response to requests from interested parties, the Department of Commerce (the Department) is conducting administrative reviews of the antidumping duty orders on certain corrosion-resistant carbon steel flat products (CORE) and certain cut-to-length carbon steel plate (CTL plate) from Canada. These reviews cover two manufacturers/exporters of CORE and three manufacturers/exporters of CTL plate, for the period August 1, 1998 through July 31, 1999.

We have preliminarily determined that sales have been made below normal value (NV) by various companies subject to these reviews. See "Preliminary Results of Reviews" section below for the company-specific rates. If these preliminary results are adopted in our final results of these administrative reviews, we will instruct the U.S. Customs Service to assess

<sup>2</sup>Pursuant to appropriate delegations of authority that are reflected in the Regulations, the Director, Office of Exporter Services, in consultation with the Director, Office of Export Enforcement, exercises the authority granted to the Secretary by section 11(h) of the Act.

antidumping duties based on the difference between the export price (EP) and the NV.

**EFFECTIVE DATE:** September 8, 2000.

**FOR FURTHER INFORMATION CONTACT:**

Mike Strollo at (202) 482-5255 (Dofasco Inc. and Sorevco Inc. (collectively, Dofasco)), Jacqueline Arrowsmith at (202) 482-4052 (Continuous Colour Coat, Ltd. (CCC)), Mark Hoadley at (202) 482-0666 (Gerdau MRM Steel (MRM) and National Steel Co. (National)), Elfi Blum-Page at (202) 482-0197 (Stelco Inc. (Stelco) and Clayson Steel Co. (Clayson)), or Maureen Flannery at (202) 482-3020, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:**

**The Applicable Statute**

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are 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's regulations are to 19 CFR Part 351 (April 1999).

**Background**

On August 19, 1993, the Department published in the **Federal Register** (58 FR 44162) the antidumping duty orders on CORE and CTL plate from Canada. On August 23, 1999, Metaux Russel Inc. (Russel) requested a review of its exports of CTL plate. On August 30, 1999, Clayson requested a review of its exports of CTL plate. On August 31, 1999, National requested a review of its exports of CORE. On August 31, 1999, Dofasco requested a review of its exports of CORE.

On August 31, 1999, Bethlehem Steel Corporation, U.S. Steel Group (a unit of USX Corporation), Inland Steel Industries, Inc., Gulf States Steel Inc. of Alabama, Sharon Steel Corporation, Geneva Steel, and Lukens Steel Company, petitioners, requested reviews of Stelco's, CCC's, Dofasco's, and Sorevco's exports of CORE.

On August 31, 1999, petitioners also requested a review of Stelco's exports of CTL plate.

On October 1, 1999, in accordance with section 751 of the Act, we published a notice of initiation of administrative reviews of Stelco, CCC, Dofasco, Sorevco, and National, for CORE, and Stelco, Clayson, and Russel for CTL plate covering the period August 1, 1998 through July 31, 1999

(64 FR 53318). In addition, on November 4, 1999, we published a notice of initiation of administrative review of MRM for CTL plate covering the period August 1, 1998 through July 31, 1999 (64 FR 60161).

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of an administrative review if it determines that it is not practicable to complete the review within the statutory time limit of 365 days. On April 27, 2000, the Department published a notice of extension of the time limit for the preliminary results in these reviews to July 21, 2000. *See Corrosion-Resistant Carbon Steel Flat Products and Cut-to-Length Carbon Steel Plate: Extension of Time Limits for Preliminary Results of Antidumping Administrative Review*, 65 FR 24678.

On June 28, 2000, the Department published a second notice of extension of the time limit for the preliminary results in these reviews from July 21, 2000 to August 30, 2000. *See Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Canada: Extension of Time Limits for Preliminary Results of Antidumping Administrative Review*, 65 FR 39867.

The Department is conducting these reviews in accordance with section 751(a) of the Act.

**Scope of Reviews**

The products covered by these administrative reviews constitute two separate "classes or kinds" of merchandise: (1) CORE, and (2) CTL plate.

The first class or kind, CORE, includes flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule (HTS) under item numbers 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000,

7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, and 7217.90.5090. Included in this review are corrosion-resistant flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been beveled or rounded at the edges. Excluded from this review are flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (terne plate), or both chromium and chromium oxides (tin-free steel), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating. Also excluded from this review are clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness. Also excluded from this review are certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%–60%–20% ratio.

The second class or kind, CTL plate, includes hot-rolled carbon steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the

thickness, as currently classifiable in the HTS under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000.

Included in this review are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been beveled or rounded at the edges. Excluded from this review is grade X-70 plate. Also excluded is cut-to-length carbon steel plate meeting the following criteria: (1) 100% dry steel plates, virgin steel, no scrap content (free of Cobalt-60 and other radioactive nuclides); (2) .290 inches maximum thickness, plus 0.0, minus .030 inches; (3) 48.00 inch wide, plus .05, minus 0.0 inches; (4) 10 foot lengths, plus 0.5, minus 0.0 inches; (5) flatness, plus/minus 0.5 inch over 10 feet; (6) AISI 1006; (7) tension leveled; (8) pickled and oiled; and (9) carbon content, 0.03 to 0.08 (maximum).

With respect to both classes or kinds, the HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive of the scope of these reviews.

#### Verification

As provided in section 782(i) of the Act, we verified sales and cost information provided by MRM, CCC, and Clayson using standard verification procedures, including on-site inspections of the manufacturers' facilities and the examination of relevant sales and financial records. Where appropriate, the Department made adjustments to the data provided in its model match and margin calculation programs for these preliminary results based on information obtained during verification. Our verification results are outlined in public versions of the verification reports on file with the Central Records Unit, in room B-099 of the Herbert C. Hoover Building.

#### Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by the respondents that are covered by the description in the Scope of Reviews section above and sold in the home market during the period of review (POR) to be foreign like products for purposes of determining appropriate

product comparisons to U.S. sales. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the most similar foreign like product on the basis of the characteristics listed in Appendix V of the Department's November 2, 1999 antidumping questionnaires.

#### Normal Value Comparisons

To determine whether sales of subject merchandise to the United States were made at less than NV, we compared the EP or the CEP to NV, as described in the "United States Price" and "Normal Value" sections of this notice. In accordance with section 777A(d)(2) of the Act, we calculated monthly weighted-average prices for NV and compared these to individual U.S. transaction prices.

#### Rescission of Review for National and Stelco

Pursuant to 19 CFR 213, National withdrew its request for review for its exports of CORE, and requested that the Department rescind the review in part. Respondents CCC, Dofasco, and Sorevco objected to National's request for the rescission of its review since the request was not made in a timely fashion, pursuant to 19 CFR 351.213(d)(1) of the Department's regulations. We determined that, in accordance with 19 CFR 351.213(d)(1) of the Department's regulations, the Secretary may extend the time limit to request a rescission of review if the Secretary decides it is reasonable to do so. We found that it was reasonable to extend the time limit in this case as National's withdrawal of its request for review was submitted before the majority of National's questionnaire response was filed. Therefore, we rescinded the review with respect to National. *See Memorandum for Edward Yang from Mike Strollo through Maureen Flannery: Request for Rescission of Review: National Steel Corporation (National)*, dated March 2, 2000.

In addition, pursuant to 19 CFR 351.213(d)(1), petitioners withdrew their request for review with respect to Stelco's exports of both CORE and CTL plate on October 14, 1999. Section 351.213(d)(1) allows the Department to rescind a review if the party that requested the review withdraws the request within 90 days of the publication date of the initiation notice. The Department published the initiation notice on October 1, 1999 (64 FR 60161). Petitioners were the only party to request a review of Stelco's sales. We hereby rescind the review of Stelco with

respect to its sales of CORE and CTL plate.

#### Determination Not To Revoke in Part the Order on CTL Plate

On August 31, 1999, MRM submitted a request, in accordance with section 351.222(b) of the Department's regulations, that the Department revoke the order covering CTL plate from Canada with respect to its sales of this merchandise.

In accordance with section 351.222(b)(2)(iii) of the regulations, this request was accompanied by a certification from MRM that it had not sold the subject merchandise at less than NV for a period of three consecutive reviews, which included this review period, and would not do so in the future. The Department conducted verification of MRM's responses for this period of review.

We have preliminarily decided not to revoke the antidumping order with respect to MRM. On May 28, 1998, the Department initiated an anti-circumvention investigation of MRM based upon information that MRM was circumventing the antidumping duty order on CTL plate by adding small amounts of boron to plate products covered by the order and importing such merchandise as alloy steel products. *Cut-To-Length Carbon Steel Plate From Canada; Initiation of Antidumping Inquiry on Antidumping Duty Order*, 63 FR 29179 (May 28, 1998). We find that the issue of whether a company is engaged in circumventing an antidumping duty order is relevant to whether that company has satisfied the criteria for revocation under section 351.222 of the Department's regulations. In light of the information before the Department concerning MRM's alleged circumvention of the order, we find that MRM has not satisfied the requirements for revocation given that the issue of MRM's alleged circumvention of the order remains unresolved. Although the Court of International Trade issued an injunction with respect to the Department's anti-circumvention proceeding in *Co-Steel Lasco and Gerdau MRM Steel v. United States*, Ct. No. 98-08-02684, on August 11, 2000 the Court of Appeals for the Federal Circuit summarily reversed that injunction. *Co-Steel Lasco, et al. v. United States*, App. No. 99-1339 (Aug. 11, 2000).

#### Determination on the Basis of Facts Available

Section 776(a)(2) of the Act provides that: "If an 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."

On November 2, 1999, we issued a questionnaire to Russel. Russel did not respond to the Department's questionnaire. Accordingly, the use of facts available is required, under section 776(a)(2)(A) of the Act. Because Russel has provided no information whatsoever, sections 782(d) and (e) are inapplicable.

Furthermore, Section 776(b) of the Act provides that, if the Department finds that an interested party "has failed to cooperate by not acting to the best of its ability to comply with a request for information," the Department may draw an inference that is adverse to the interests of that party in selecting from among the facts otherwise available. Section 776(b)(1) of the Act states that adverse inferences may be based on secondary information, including information drawn from the petition, the final determination, a previous administrative review, or other information placed on the record. Because Russel did not respond to our requests for information, we find that it has failed to cooperate by not acting to the best of its ability to comply with the Department's request for information, and we have drawn an adverse inference in selecting from the facts otherwise available, in accordance with section 776(b) of the Act.

Section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate secondary information using independent sources reasonably at its disposal. The Statement of Administrative Action, H.R. Doc. No. 103-316, 870 (1994) (SAA) provides that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. See SAA, at 870.

In this case, the adverse facts available rate we are using is the highest dumping margin calculated in any segment of this proceeding, 68.70 percent. This margin was calculated for Stelco in the *Amended Final Determinations of Sales at Less Than Fair Value and Antidumping Orders:*

*Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Canada*, 60 FR 49582 (Sept. 26, 1995), and has been the "all others rate" throughout the proceeding for CTL plate. Had Russel not requested a review of its exports, we would have instructed Customs to automatically liquidate Russel's entries at this all others rate. We can reasonably conclude that if Russel's margin would have been lower than the all others rate, it would have participated in this review. Accordingly, because Russel did not submit a response, we conclude that its calculated rate would have been equal to, if not greater than, the all others rate. Therefore, we conclude that this rate is probative of Russel's experience. Finally, there is no evidence on the record of circumstances indicating that the margin we are using as facts available in this review is not appropriate. In fact, because Russel did not respond to our questionnaire, we have no means of comparing the circumstances of its sales, if it had any, to those of Stelco in the investigation. Therefore, we have corroborated the selected rate "to the extent practicable" and the requirements of section 776(c) of the Act are satisfied.

#### United States Price

For United States price, we used EP when the subject merchandise was sold directly or indirectly to the first unaffiliated purchaser in the United States prior to importation and CEP was not otherwise warranted by facts on the record. For certain sales, we used CEP because the sale was made in the United States.

#### CCC

The Department calculated EP for CCC based on packed, prepaid or delivered prices to customers in the United States. We made deductions from the starting price, net of discounts and price adjustments, for movement expenses (foreign and U.S. freight, and U.S. Customs duties), in accordance with section 772(c)(2) of the Act.

In accordance with the presumption of our regulations, we used date of invoice as date of sale for CCC's U.S. sales. See 19 CFR 351.401(i).

#### Clayson

The Department calculated EP for Clayson based on packed, delivered prices to customers in the United States. We made deductions from the starting price for movement expenses (foreign and U.S. movement, brokerage and handling, and U.S. Customs duties), pursuant to section 772(c)(2) of the Act. As a result of our verification of

Clayson's response, we made adjustments to the amounts reported for brokerage and handling, and for freight. See *Memorandum to the File from Elfi Blum-Page, Sales and Cost Verification of Clayson Steel Co.* (August 30, 2000).

In accordance with the presumption of our regulations, we used date of invoice as date of sale for Clayson's U.S. sales. See 19 CFR 351.401(i).

#### Dofasco

For purposes of these reviews, we treated Dofasco, Inc. and Sorevco, Inc. as one respondent, as we have done in prior segments of the proceeding. See, e.g., *Certain Corrosion-Resistant Carbon Steel Flat Products from Canada: Final Determination of Sales at Less Than Fair Value*, 58 FR 37099 (1993), and *Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate from Canada: Final Results of Antidumping Duty Administrative Reviews, and Determination Not to Revoke in Part*, 65 FR 9243 (February 24, 2000) (*Canadian Steel 5th*). See *Dofasco Analysis Memo* for a complete analysis of the facts regarding the combination of these two respondents for this review.

Dofasco makes certain sales in the United States through its U.S. affiliate Dofasco U.S.A. (DUS). The sales involving DUS are either made through long-term contracts or are spot sales. Evidence on the record indicates that, for spot sales, while DUS is involved, the sales are made by Dofasco. We are treating these sales as EP sales. Based on evidence on the record, we conclude that the long-term contract sales are made by DUS and should be classified as CEP sales. See the proprietary *Memorandum to the File from Mike Strollo through Maureen Flannery: Analysis for Dofasco, Inc. and Sorevco, Inc. (Dofasco) for the Preliminary Results of the Sixth Administrative Review of Corrosion-Resistant Carbon Steel Flat Products from Canada*, August 30, 2000 (*Dofasco Analysis Memo*).

The Department calculated EP and CEP for Dofasco based on packed, prepaid or delivered prices to customers in the United States. We made deductions from the starting price, net of discounts and rebates, for movement expenses (foreign and U.S. movement, and post-sale warehousing) in accordance with section 772(c)(2) of the Act. In addition, for CEP sales, we deducted indirect selling expenses incurred in the United States and Canada associated with economic activities in the United States from the starting price. As in prior reviews, certain Dofasco sales have undergone

minor further processing in the United States as a condition of sale to the customer. In order to determine the value of subject merchandise at the time of exportation of such merchandise to the United States, the Department has deducted the price charged to Dofasco for this minor further processing from gross unit price to determine U.S. price for both EP and CEP sales. *See Canadian Steel 5th*.

In this review, Dofasco's date of shipment in many instances preceded the date of invoice, and therefore we cannot use the date of invoice as the regulations prefer. Accordingly, as provided for in 19 CFR 351.401(i) of the regulations, we used the dates of sale described below. These sale dates reflect the dates on which the exporter or producer established the material terms of sale. We used the date of order acknowledgment as date of sale, as reported by Dofasco for all Dofasco sales in the U.S. market, except for sales made pursuant to long-term contracts. For Dofasco's sales made pursuant to long-term contracts, we used date of the contract as date of sale. In the rare instance of a rush order, we used the date of shipment as date of sale if a coil was shipped before the date of order acknowledgment. We also used shipment date for sales of secondary products for which there is no order acknowledgment. When there was a change in price, we used the date of Dofasco's order reacknowledgment as date of sale.

We used the date of order confirmation as the date of sale, as reported by Sorevco Inc. (Sorevco) for its sales in the home market.

#### MRM

The Department calculated EP for MRM based on packed, prepaid or delivered prices to customers in the United States. We made deductions from the starting price for movement expenses (foreign and U.S. movement, brokerage and handling, and U.S. Customs duties) pursuant to section 772(c)(2) of the Act.

In accordance with the presumption of our regulations, we used date of invoice as date of sale for MRM's U.S. sales. *See* 19 CFR 351.401(i).

#### Normal Value

The Department determines the viability of the home market and the comparison market by comparing the aggregate quantity of home market and U.S. sales. We determined that "the aggregate quantity \* \* \* of the foreign like product sold by an exporter or producer in a country is 5 percent or more of the aggregate quantity \* \* \* of

its sales of the subject merchandise to the United States." 19 CFR 351.404. We, therefore, have determined for each company that the home market is a viable market, pursuant to section 351.404. Moreover, there is no evidence on the record supporting a particular market situation in the exporting companies' country that would not permit a proper comparison of home market and U.S. prices. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we have based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade and, to the extent practicable, at the same level of trade as the EP or CEP.

In accordance with section 773(a)(4) of the Act, we used constructed value (CV) as the basis for NV when there were no above-cost contemporaneous sales of identical or similar merchandise in the comparison market. We calculated CV in accordance with section 773(e) of the Act. We included the cost of materials and fabrication, selling, general and administrative expenses (SG&A), and profit. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by the respondents in connection with the production and sale of the foreign like product in the ordinary course of trade for consumption in the foreign country. For selling expenses, we used the weighted-average home market selling expenses.

We used sales to affiliated customers only where we determined such sales were made at arms-length prices, *i.e.*, at prices comparable to the prices at which the respondents sold identical merchandise to unaffiliated customers.

For both classes or kinds of merchandise under review and for all respondents, except Clayson, the Department disregarded sales below cost of production (COP) in the last completed review. *See Canadian Steel 5th*. We therefore have reasonable grounds to believe or suspect, pursuant to section 773(b)(2)(A)(ii) of the Act, that sales of the foreign like product under consideration for the determination of NV in this review may have been made at prices below COP. Therefore, we initiated COP investigations of sales in the home market for CCC, Dofasco, and MRM. For Clayson, petitioners filed an allegation of sales below cost on June 25, 2000, and we determined that there were reasonable grounds to believe or suspect that Clayson was selling CTL plate in Canada at prices below COP, in accordance with section 773(b)(2)(A)(i)

of the Act. Accordingly, we initiated an investigation to determine whether Clayson's sales of CTL plate were made at prices below the COP during POR. *See Memorandum to Edward Yang from Elfi Blum-Page through Maureen Flannery: Certain Cut-to-Length Carbon Steel Plate from Canada: Initiation of Sales-Below-Cost Inquiry*, dated June 2, 2000.

We compared sales of the foreign like product in the home market with model-specific cost of production figures for the POR. In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the costs of materials and fabrication employed in producing the foreign like product, plus SG&A expenses and all costs and expenses incidental to placing the foreign like product in packed condition and ready for shipment. In our sales-below-cost analysis, we used home market sales and COP information provided by each respondent in its questionnaire responses. We made adjustments where warranted based on our findings at verification.

We compared the weighted-average COPs to home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP. In determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made (1) within an extended period of time in substantial quantities, and (2) at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade, in accordance with section 773(b)(1)(A) and (B) of the Act. On a product-specific basis, we compared the COP to home market prices, less any movement charges, discounts, and direct and indirect selling expenses.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given model were at prices less than COP, we did not disregard any below-cost sales of that model because the below-cost sales were not made in substantial quantities within an extended period of time. Where 20 percent or more of a respondent's sales of a given model were at prices less than COP, we disregarded the below-cost sales because they were made in substantial quantities within an extended period of time, in accordance with sections 773(b)(2)(B) and (C) of the Act. Because we compared prices to POR-average costs, we also determined that the below-cost prices did not permit the recovery of costs within a reasonable period of time. Based on this test, we

disregarded below-cost sales for both classes or kinds of merchandise under review and for all respondents.

In accordance with section 773(a)(1)(B)(i) of the Act, where possible, we based NV on sales at the same level of trade (LOT) as the U.S. price. See the "Level of Trade Section" below.

For those product comparisons for which there were sales at prices above COP, we based NV on prices to home market customers. We calculated NV based on prices to unaffiliated home market customers. Where appropriate, we made adjustments to NV for differences in circumstances of sale (COS), in accordance with sections 773(a)(6) and (a)(8) of the Act and 19 CFR 351.410. For comparisons to EP, we made COS adjustments to NV by deducting home market direct selling expenses and adding U.S. direct selling expenses. We also made adjustments, where applicable, for home market indirect selling expenses to offset U.S. commissions paid on EP sales pursuant to 19 CFR 351.410(b).

#### CCC

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to unaffiliated parties. Home market starting prices were based on the packed, ex-factory or delivered prices to unaffiliated purchasers in the home market, net of discounts and price adjustments, where applicable.

We made adjustments, where applicable, for packing and movement expenses in accordance with sections 773(a)(6)(A) and (a)(6)(B) of the Act. We also made adjustments for differences in the costs of manufacture for subject merchandise and matching foreign like products, attributable to their differing physical characteristics, pursuant to section 773(a)(6)(C)(ii) of the Act. In accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410, for comparison to EP, we made COS adjustments to NV by deducting home market direct selling expenses (credit) and adding U.S. direct selling expenses (credit). When comparisons were made to EP sales on which commissions were paid, but where no commissions were paid on the matching foreign market sales, we made adjustments for CCC's home market indirect selling expenses to offset these U.S. commissions pursuant to 19 CFR 351.410(e).

In accordance with the presumption of our regulations, we used invoice date as sale date for all of CCC's home market sales. See 19 CFR 351.401(i).

#### Clayson

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to unaffiliated purchasers (Clayson made no home market sales to affiliated parties.) Home market prices were based on the packed, delivered prices to purchasers in the home market.

We made adjustments to the starting price, net of discounts, for movement expenses in accordance with sections 773(a)(6)(A) and (a)(6)(B) of the Act. In accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410, for comparison to EP, we made COS adjustments to NV by deducting home market direct selling expenses (credit expense, commissions) and adding U.S. direct selling expenses (credit expense, commissions).

In accordance with the presumption of our regulations, we used date of invoice as date of sale for Clayson's home market sales. See 19 CFR 351.401(i).

As a result of our verification of Clayson's response, we recalculated freight expenses for home market and U.S. movement expenses. Also as a result of our verification, we made adjustments to Clayson's COP regarding scrap, G&A, and interest before performing our sales-below-cost test. For a full discussion, see *Memorandum to the File: Analysis for the Preliminary Results of Review for Clayson*, August 30, 2000.

#### Dofasco

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to unaffiliated parties. We made adjustments, where applicable, for packing and movement expenses in accordance with sections 773(a)(6)(A) and (a)(6)(B) of the Act. We also made adjustments for differences in the costs of manufacture for subject merchandise and matching foreign like products, attributable to their differing physical characteristics, pursuant to section 773(a)(6)(C)(ii) of the Act. In accordance with 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410, for comparison to EP, we made COS adjustments to NV by deducting home market direct selling expenses (credit, royalties, and warranty expenses) and adding U.S. direct selling expenses (credit, royalties, and warranty expenses). When comparisons were made to EP sales on which commissions were paid, but where no commissions were paid on the matching foreign market sales, we made adjustments for Dofasco's home market indirect selling

expenses to offset these U.S. commissions pursuant to 19 CFR 351.410(e). In addition, we recalculated Dofasco's variable cost of manufacture by deducting Dofasco's claimed adjustment for byproduct profits on sales of industrial coke.

For comparison to CEP, we made COS adjustments to NV by deducting home market direct selling expenses (credit, royalties, and warranty expenses). When comparisons were made to CEP sales on which commissions were paid, but where no commissions were paid on the matching foreign market sales, we made adjustments for Dofasco's home market indirect selling expenses to offset these U.S. commissions pursuant to 19 CFR 351.410(e).

Based upon our preliminary analysis of Dofasco's sales process, we have determined that Dofasco's sales fall within four sales types. Depending on the type of sale, we used order acknowledgment date, contract date, or shipment date as the date of sale; refer to the "United States Price" section above. For a full discussion, see *Memorandum to the File from Mike Strollo through Maureen Flannery: Analysis for Dofasco, Inc. and Sorevco, Inc. (Dofasco) for the Preliminary Results of the Sixth Administrative Review of Corrosion-Resistant Carbon Steel Flat Products from Canada*, August 30, 2000 (*Dofasco Analysis Memo*).

#### MRM

For those models for which there was a sufficient quantity of sales at prices above COP, we based NV on home market prices to unaffiliated purchasers (MRM made no home market sales to affiliated parties.) Home market prices were based on the packed, ex-factory or delivered prices to purchasers in the home market.

We made adjustments to the starting price, net of rebates, for movement expenses in accordance with sections 773(a)(6)(A) and (a)(6)(B) of the Act. In accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410, for comparison to EP, we made COS adjustments to NV by deducting home market direct selling expenses (credit expense) and adding U.S. direct selling expenses (credit expense). We added to NV U.S. selling commissions. Because comparisons were made to EP sales on which commissions were paid, but no commissions were paid on home market sales, we made adjustments for MRM's home market indirect selling expenses to offset these U.S. commissions pursuant to 19 CFR 351.410(e).

In accordance with the presumption of our regulations, we used date of

invoice as date of sale for MRM's home market sales. See 19 CFR 351.401(i).

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

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

In the present review, only Dofasco claimed that sales were made at more than one LOT. As discussed below, to evaluate Dofasco's LOT claims, we examined information regarding the distribution systems in both the U.S. and Canadian markets, including the selling functions, classes of customer, and selling expenses for each respondent.

### CCC

In both the home market and the United States, CCC reported one LOT. CCC reported two customer categories in the home market and two in the U.S. market, but CCC claimed that the selling functions it performed were the same in each market and did not vary according to customer. CCC also reported two channels of distribution in the home market and two in the United States. CCC did not claim a LOT adjustment.

We analyzed the selling functions performed for various customer categories and channels of distribution in each market. We found that CCC performed substantially similar selling functions regardless of the type of home market customer and, therefore, that one level of trade existed in the home market. We reached the same conclusion regarding the U.S. market.

Finally, we compared the selling functions performed at the home market LOT with those performed at the U.S. LOT and found them substantially similar. Thus, no LOT adjustment was appropriate. For a further discussion of the Department's LOT analysis with respect to CCC, see *Memorandum to the File: Analysis Memorandum for the Preliminary Results of Review for CCC*, August 30, 2000.

### Clayson

In both the home market and the United States, Clayson reported one LOT and one distribution system with one class of customer in the home market, original equipment manufacturers (OEMs), and one class of customer, OEMs, in the U.S. market. We compared the selling functions performed at the home market LOT with those performed at the U.S. LOT and found them substantially similar. Thus, no LOT adjustment was appropriate.

### Dofasco

Dofasco reported three LOTs in the home market. Dofasco defined its LOT categories by customer category: service center, automotive, and construction and converters/manufacturers (construction). We examined the selling functions performed at each claimed level and found that there was a significant difference in selling functions offered to these three categories. We examined narrative descriptions of the various functions performed and the extent to which each function is performed in order to gauge the significance of each function.

Of the several reported selling functions, Dofasco performed only two of the same or similar selling functions at both the automotive and service center sales levels. Dofasco reported fourteen selling functions which were different between these two levels. Additionally, sales to automotive customers are sales to end users, while sales to service centers are sales to resellers. Thus, sales to service centers and automotive customers were made at different stages of marketing. Based upon this fact, we preliminarily conclude that sales to the automotive customers and service centers are made at different levels of trade.

Although both automotive and construction customers are OEMs, we note that both quantitatively and qualitatively, the selling functions offered to automotive customers involve significantly greater selling activities and thus represent a distinct stage of marketing. For example, of the 16 reported selling functions, Dofasco performed only seven of the same or similar selling functions for both automotive and construction customers. Dofasco's functions for these two customer categories differed with respect to nine other activities. Therefore, given these types of differences, we preliminarily conclude that automotive and construction constitute separate levels of trade.

There were numerous differences in selling functions between sales to construction and service center customers. Dofasco performed six reported selling functions for sales to service centers and only four selling functions for sales to construction customers. Of these selling functions, only one was performed for both service centers and construction customers. More importantly, sales to service center customers are sales to resellers, while sales to construction customers are sales to end users. Thus, sales to service centers and construction customers were made at different stages of marketing. Based upon this fact, we preliminarily conclude that sales to service centers and construction customers are made at different levels of trade.

Overall, we determine that the selling functions for the automotive, service center, and construction customer categories are substantially dissimilar from one another and that these sales are made at different stages of marketing. Therefore, we preliminarily determine that the automotive, service center, and construction customer categories should be treated as three LOTs in the comparison market. Dofasco reported the same three LOTs in the U.S. market: automotive, service center, and construction. We preliminarily determine that U.S. LOTs are identical to those of the comparison market.

For those Dofasco sales classified as CEP, which were some of the automotive customers, we reexamined the three U.S. LOTs after excluding those selling functions performed in the United States. We found that for these automotive customers, two selling functions were performed in the United States. Thus, after excluding selling functions performed in the United States, CEP sales to automotive customers were identical to EP sales to

automotive customers and to home market sales to automotive customers except for these two functions. We find that these two functions do not account, quantitatively or qualitatively, for a significant portion of the sales functions provided to these customers. Therefore, we find that these CEP sales do not constitute a separate LOT from EP sales to automotive customers or home market sales to automotive customers.

There were only insignificant differences in selling functions at each LOT between the comparison market and the U.S. market. Therefore, we found that the three U.S. LOTs corresponded to the three comparison market LOTs. The Department did not find that there existed a pattern of consistent price differences between the three levels of trade. Therefore, we did not make LOT adjustments when comparing sales at different LOTs. For a further discussion of the Department's LOT analysis with respect to Dofasco, see *Dofasco Analysis Memo*.

**MRM**

In both the home market and the United States, MRM reported one LOT and one distribution system with two classes of customers in the home market, distributors and OEMs, and one class of customer, OEMs, in the U.S. market. We analyzed the selling functions and activities performed for customers in each market. We found that MRM performed substantially similar selling functions and activities for both classes of home market customers and, therefore, that one level of trade existed in the home market. Finally, we compared the selling functions performed at the home market LOT with those performed at the U.S. LOT and found them substantially similar. Thus, no LOT adjustment was appropriate.

**Preliminary Results of Reviews**

As a result of our reviews, we preliminarily determine the weighted-average dumping margins for the period August 1, 1998 through July 31, 1999 to be as follows:

*Certain Corrosion-Resistant Carbon Steel Flat Products*

Manufacturer/Exporter	Margin percentage
CCC .....	2.94
Dofasco .....	0.51

*Certain Cut-to-Length Carbon Steel Plate*

Manufacturer/Exporter	Margin percentage
MRM .....	0.00
Clayson .....	10.81
Russel .....	68.70

The Department will disclose to the parties to the proceeding calculations performed in connection with these preliminary results of review within ten days after the date of public announcement, or, if there is no public announcement, within five days after the date of publication of these preliminary results of review.

Any interested party may request a hearing within 30 days of publication. Any hearing, if requested, will be held 37 days after the date of publication or the first business day thereafter. Case briefs from interested parties may be submitted not later than 30 days after publication. Rebuttal briefs, limited to issues raised in case briefs, may be filed not later than five days after the date of filing of case briefs. The Department will publish the final results of this administrative review, including its analysis of issues raised in the case and rebuttal briefs, not later than 120 days after the date of publication of this notice.

Upon issuance of the final results of review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b), we calculated importer-specific *ad valorem* duty assessment rates for each class or kind of merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total customs value of the sales used to calculate those duties. This rate will be assessed uniformly on all entries of that particular importer for that class or kind of merchandise made during the POR.

Furthermore, upon publication of the final results of review, the following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a) of the Act: (1) The cash deposit rate for each reviewed company will be that established in the final results of review (except that no deposit will be required for firms with *de minimis* margins, *i.e.*, margins less than 0.5 percent); (2) for exporters not covered in these reviews, but covered in the less than fair value (LTFV) investigations or a previous review, the cash deposit rate will continue to be the

company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a previous review, or the LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; (4) the cash deposit rate for all other manufacturers or exporters will continue to be the "all others" rates established in the LTFV investigations, which were 18.71 percent for corrosion-resistant steel products and 68.70 percent for CTL plate (see *Amended Final Determinations of Sales at Less Than Fair Value and Antidumping Orders: Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Canada*, 60 FR 49582 (Sep. 26, 1995)). These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative reviews.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These administrative reviews and notices are published in accordance with sections 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 777(i)(1) of the Act (19 U.S.C. 1677f(i)(1)).

Dated: August 30, 2000.

**Troy H. Cribb,**

*Acting Assistant Secretary for Import Administration.*

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-122-047]

**Elemental Sulphur From Canada: Preliminary Results of Antidumping Duty Administrative Review**

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

**ACTION:** Notice of preliminary results of antidumping duty administrative review of elemental sulphur from Canada.

**SUMMARY:** The Department of Commerce ("the Department") is conducting an