are direct under the facts of a particular case, the Department examines the respondent's pre-sale warehousing expenses, since the pre-sale movement charges incurred in positioning the merchandise at the warehouse are, for analytical purpose, inextricably linked to pre-sale warehousing expenses. If the pre-sale warehousing constitutes an indirect expense, the expense involved in getting the merchandise to the warehouse must also be indirect. conversely, a direct pre-sale warehousing expense necessarily implies a direct pre-sale movement expense. We note that, although pre-sale warehousing expenses in most cases have been found to be indirect selling expenses, these expenses may be deducted from FMV as a circumstance-of-sale adjustment in a particular case if the respondent is able to demonstrate that the expenses are directly related to the sales under consideration. In the instant review, Union did not distinguish between pre- and post-sale warehousing expenses, nor did it demonstrate that these expenses were directly tied to the home-market sales under consideration. The Department, therefore, determined to treat home-market warehousing expenses as indirect selling expenses.

We also adjusted FMV for differences in packing by deducting home-market packing expenses from, and adding U.S. packing expenses to, FMV.

During the verification of Union's responses, the Department was unable to fully verify the accuracy of Union's reported home-market product characteristics, because Union did not retain the relevant information in its records, thereby casting doubt on the accuracy of the model match. It is the Department's preference to calculate antidumping duties on the basis of price-to-price comparisons whenever possible. It is also the Department's preference to use as much of respondent's data as possible. For purposes of this review, therefore, the Department has decided to use Union's model-matching product characteristics, but to apply to all of Union's price-to-price sales comparisons a flat, across-the-board adjustment for differences in physical characteristics of the merchandise (''difmer'') of 20 percent as the best information otherwise available (''BIA''). Twenty percent is the maximum difmer allowed between U.S. and home-market models for the purposes of comparison. See the Department's internal memorandum from Joseph A. Spetrini to Susan G. Esserman, dated August 8, 1995.

In a letter dated May 24, 1995, petitioners formally requested that the Department consider Union and Dongkuk Industries Co., Ltd. (''DKI''), which is not a respondent, as a single producer of corrosion-resistant carbon steel flat products. This request to ''collapse'' Union and DKI was not made until well after the 180-day deadline for the submission of new factual information and after verification had been completed. Because petitioner's request was untimely, and the record evidence to collapse Union and DKI is insufficient, the Department has rejected petitioners' request to consider the issue of collapsing Union and DKI as a single producer of corrosion-resistant carbon steel flat products (*see* the Department's internal memorandum from Joseph A. Spetrini to Susan G. Esserman, dated July 28, 1995).

Preliminary Results of Review

As a result of our comparison of USP to FMV, we preliminarily determine that the following margins exist for the period February 4, 1993, through July 31, 1994:

CERTAIN CORROSION-RESISTANT CARBON STEEL FLAT PRODUCTS

Producer/manufacturer/exporter	Weighted-average margin (percent)
Dongbu	1.74
Union	5.72

Interested parties may request disclosure within 5 days of the date of publication of this notice and may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the date of publication or the first business day thereafter. Case briefs and/or written comments from interested parties may be submitted no later than 30 days after the date of publication. Rebuttal briefs and rebuttals to written comments, limited to issues raised in those comments, may be filed not later than 37 days after the date of publication of this notice. The Department will publish the final results of this administrative review including the results of its analysis of issues raised in any such written comments or at a hearing.

The Department shall determine, and the Customer Service shall assess, antidumping duties on all appropriate entries. Individual differences between the USP and FMV may vary from the percentages stated above.

Furthermore, 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 of the final results of this administrative review, as provided for by section 751(a)(1) of the Act. A cash deposit of estimated antidumping duties shall be required on shipments of certain corrosion-resistant carbon steel flat products from Korea as follows: (1) The cash deposit rates for the reviewed company will be the rate established in the final results of this review; (2) for previously investigated companies not listed above, 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 or the original less-than-fair-value (''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; and (4) if neither the exporter nor the manufacturer is a firm covered in this review, the cash deposit rate for this case will be 17.88 percent, which is the ''all others'' rate for the LTFV investigation. See Final Determination of Sales at Less Than Fair Value: Certain Corrosion-Resistant Carbon Steel Flat Products from Korea, 58 FR 37176 (July 9, 1993).

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR § 353.26 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.

This administrative review and this notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR § 353.22.

Dated: August 16, 1995.

Susan G. Esserman,

Assistant Secretary for Import Administration.

[FR Doc. 95–21067 Filed 8–23–95; 8:45 am]

BILLING CODE 3510–DS–M

[A–412–810]

Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom; Final Results of Antidumping Duty Administrative Review

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

ACTION: Notice of final results of antidumping duty administrative review.

SUMMARY: On February 23, 1995, the Department of Commerce (the Department) published the preliminary results of its 1992–94 administrative review of the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom (60 FR 10061). The review covers one manufacturer/exporter of this merchandise, United Engineering Steels Limited (UES). The review period is September 28, 1992, through February 28, 1994. We gave interested parties the opportunity to comment on the preliminary results. Based on our analysis of the comments received, we have adjusted UES's margin for these final results.

EFFECTIVE DATE: August 24, 1995.

FOR FURTHER INFORMATION CONTACT: G. Leon McNeill or Maureen Flannery, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230, telephone: (202) 482–4733.

SUPPLEMENTARY INFORMATION:

Background

On February 23, 1995, the Department published in the **Federal Register** (60 FR 10061) the preliminary results of its administrative review of the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom (58 FR 15324, March 22, 1993). The Department has now completed that administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act).

Applicable Statutes and Regulations

Unless otherwise stated, all citations to the statute and to the Department's regulations are references to the provisions as they existed on December 31, 1994.

Scope of the Review

The products covered by this review are hot-rolled bars and rods of nonalloy or other alloy steel, whether or not descaled, containing by weight 0.03 percent or more of lead or 0.05 percent of bismuth, in coils or cut lengths, and in numerous shapes and sizes. Excluded from the scope of this review are other alloy steels (as defined by the Harmonized Tariff Schedule of the United States (HTSUS) Chapter 72, note 1 (f)), except steels classified as other alloy steels by reason of containing by weight 0.4 percent or more of lead, or 0.1 percent or more of bismuth, tellurium, or selenium. Also excluded are semi-finished steels and flat-rolled products. Most of the products covered in this review are provided for under subheadings 7213.20.00 and 7214.30.00.00 of the HTSUS. Small quantities of these products may also enter the United States under the following HTSUS subheadings: 7213.31.30.00, 60.00; 7213.39.00.30, 00.60, 00.90; 7214.40.00.10, 00.30, 00.50; 7214.50.00.10, 00.30, 00.50; 7214.60.00.10, 00.30, 00.50; and 7228.30.80.00. HTSUS subheadings are provided for convenience and Customs purposes. They are not determinative of the products subject to the order. The written description remains dispositive.

This review covers sales of the subject merchandise manufactured by UES and entered into the United States during the period September 28, 1992, through February 28, 1994.

Analysis of Comments Received

We gave interested parties an opportunity to comment on the preliminary results as provided by section 353.22(c) of our regulations. At the request of the petitioner, Inland Steel Bar Company, and respondent, UES, we held a public hearing on April 10, 1995. We received case and rebuttal briefs from the petitioner and respondent.

Comment 1: Petitioner claims that the Department failed to adjust for actual antidumping duties UES paid on lead and bismuth steel. It argues that, since the actual dumping duties are paid by UES, the Department should treat the duty as a direct selling expense and make an adjustment for the amount of the actual dumping duties. Petitioner notes that the Department, in previous cases, has not considered estimated dumping duty deposits to be expenses within the meaning of section 772(d)(2)(A) of the Tariff Act because of the possibility that the estimated duties may vary from actual duties that may be assessed. However, it contends that, where UES is paying the actual dumping duties, the statute requires that the Department treat these duties the same way as any other direct selling expense.

UES disagrees with petitioner and cites, as support, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, *et. al.* (60 FR 10900, February 28, 1995). UES also notes that, as part of the debate prior to the passage of the Uruguay Round Agreements Act, attempts were made to persuade Congress to change the law to permit the Department to consider dumping duty as a cost, but these attempts did not succeed. UES argues that to deduct the dumping duty from the U.S. price (USP) would be double-counting, because actual duties assessed will offset any price discrimination.

Department's Position: We disagree with petitioner. Antidumping duties are intended to offset the effect of discriminatory pricing between two markets. In this context, making an additional deduction from USP for the same antidumping duties that correct this price discrimination would result in double-counting. Therefore, we have not treated cash deposits of estimated antidumping duties as direct selling expenses. See Color Television Receivers from the Republic of Korea, Final Results of Administrative Review (58 FR 50333, September 27, 1993) and Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, et al.; Final Results of Antidumping Administrative Reviews (60 FR 10900, February 28, 1995).

Comment 2: Petitioner argues that the Department should use the date of order entry rather than shipment date as the date of sale, as it did in the original investigation. Petitioner argues that UES has offered insufficient reason in this review to justify a change in its date of sale methodology from the original investigation; in fact, petitioner notes, UES has conceded that the sales terms have not changed since the period of investigation (POI). Petitioner contests the analysis of order changes UES provided and the Department attached as an exhibit to its verification report. Petitioner notes that leaded bar is typically produced to order, and thus that the basic terms of sale—including price, quantity, and physical specifications—must generally be fixed prior to manufacturing and shipment. Petitioner contends that, due to the decrease in the value of the British pound during the period of review (POR), UES changed its methodology in order to use the date of shipment as the date of sale, thus benefitting from exchange rate changes which result in lower dumping margins.

UES maintains that, during the POR, more than half the orders placed were amended with respect to their essential terms—price, quantity, or product specifications. UES agrees that it has not changed its policy since the POI. According to UES, there were numerous amendments during the POI, but it lacked the computer capability at that time to analyze and quantify the order amendment type and frequency. Therefore, in the investigation of sales at

less than fair value (LTFV), the Department used the order date as the date of sale. UES states that, since the POI, UES installed a new computer system, able to quantify the number of amendments for each order, and to identify which orders modify essential terms. UES contends that the Department's verifiers thoroughly examined the computer code, confirmed that the program identified only amendments to essential terms, and also examined hard copy orders and amendment documents.

Department's Position: We disagree with petitioner. During the course of verification, the verifying team thoroughly examined computer programs and associated documents, and confirmed that a significant percentage of U.K. orders and U.S. sales were amended subsequent to the original purchase order. *See* Verification Report dated February 22, 1995 at page 4. Therefore, because the essential terms of sale were not final until the date of shipment, the Department has used, for these final results, the date of shipment as the appropriate date of sale.

Comment 3: Petitioner disputes the model match methodology used by the Department. Petitioner claims that in the LTFV investigation, the Department used the variable ''CONNUM'' as the product identification number for identifying identical products, and the variable ''CONSIM'' as the product identification number for identifying similar products. Petitioner argues that, in the preliminary results of review, the Department deviated from that methodology in that it did not use similar home market products as the basis for foreign market value (FMV) when a match with an identical product code could not be found. As a result, the Department eliminated most of the comparisons to similar merchandise and instead based FMV on constructed value (CV). Petitioner argues that similar products should be matched on the basis of CONSIM, not the product code.

Department's Position: We disagree with petitioner. Products should be matched by CONNUM, not by CONSIM. In this case, the product code is an internal company code assigned in the normal course of business. The CONNUM, on the other hand, reflects the criteria which the Department has established for purposes of defining identical and similar merchandise. CONSIM is identical to CONNUM, except that the grade designation is less specific than that identified by CONNUM. That is, it ignores ''residuals,'' or trace elements. As we noted in the preliminary results, product differences due to residuals are commercially significant and not incidental, as they are designed into the product. Therefore, CONNUM is the appropriate variable to be used for model matching. However, in the preliminary results of this review, we erred by matching the product by CONNUM and product code. For these final results, we have revised our computer programming language to match the product by CONNUM only.

Comment 4: Petitioner argues that the Department should use identical matches when available, even if quantities differ. It maintains that the Department erroneously matched the U.S. product to a similar U.K. product in the same quantity grouping, rather than to the identical product in a different quantity grouping, thereby allowing the quantity of the sale to take precedence over the similarity of the sale. Petitioner contends that this conflicts with the Department's past practice of giving physical similarity precedence over other matching criteria.

Department's Position: We agree with petitioner, and have revised the computer programming language to match the U.S. product to the identical U.K. product regardless of its quantity grouping before matching it to a similar product.

Comment 5: The petitioner argues that, for the CV calculations, the Department should compute profit exclusive of UES's non-arm's-length related party sales. Petitioner asserts that these prices are essentially transfer prices rather than market prices, and it makes little sense to use the profit on such sales in calculating CV when the sales themselves are excluded from the price-to-price comparisons.

UES contends that, since UES's sales to its related customers were at arm's length, the petitioner's argument is moot. Furthermore, UES asserts that, contrary to the petitioner's argument, related party sales that fail the arm's-length test should not necessarily be excluded from the profit calculation. As support, UES cites Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, *et al.* (60 FR 10900, February 28, 1995 (AFB Final Results)). According to UES, the essential factor is whether the prices used in calculating CV reflect the market under consideration.

Moreover, UES notes that the petitioner relies on a simplistic analysis showing that UES's related customers, on average, pay a lower per-unit net price. UES asserts, however, that these related customers paid a lower price because they purchased large quantities. UES notes that it provides the same price advantages to high-volume related and unrelated customers. UES contends that this does not represent non-market, uneconomic transfer pricing. On the contrary, UES claims that it accepted lower per-unit profits to achieve higher overall company profitability. Consequently, UES insists these profits fairly reflect the amount usually earned on sales in the market.

Department's Position: We disagree, in part, with both petitioner and UES. As we stated in AFB Final Results, there is no basis for automatically including, for the purposes of calculating profit for CV, sales to related parties that fail the arm's-length test. This is because in doing the arm's-length test we may not adjust for certain expenses that are reflected in the profit calculation. However, related-party sales that fail the arm's-length test can give rise to the possibility that certain elements of value, such as profit, may not fairly reflect an amount usually reflected in sales of the merchandise. We considered whether the amount for profit on UES's sales to related parties was reflective of an amount for profit usually reflected on sales of the merchandise. To do so, we compared profit on sales to related parties that failed the arm's-length test to profit on sales to unrelated parties and arm's-length sales to related parties. Because the profit on non-arm's-length sales to related parties varied significantly from the profit on sales to unrelated parties and arm's-length sales to related parties, we disregarded non-arm's-length related-party sales for the purposes of calculating profit for CV for these final results. See proprietary memorandum from case analyst to file, ''Lead and Bismuth Steel from the United Kingdom—Profit Analysis,'' dated July 3, 1995. See also AFBs Final Results.

Comment 6: The petitioner argues that UES excluded the cost of producing identical products sold in third countries from its submitted cost of production. According to the petitioner, UES did not identify the one U.S. product affected by this error. Therefore, petitioner asserts, the Department should make an adverse inference regarding UES's CV submission. Petitioner urges the Department to increase the cost of all U.S. products by the largest understatement of reported costs for the home market models.

UES contends that, contrary to the petitioner's claim, the cost of production for U.S. products was not materially affected by excluding production costs for third-country sales. UES asserts that the petitioner misunderstood the data reported in certain cost verification exhibits. According to UES, these exhibits reveal

that there were only four products manufactured in more than one mill and sold in both the United Kingdom and third countries. Additionally, UES claims that these documents show that its reported costs of those four products were slightly higher than the costs UES calculated by including the third-country production costs.

Furthermore, UES asserts that the single product mentioned by petitioner would have the same cost with or without including production costs for third-country sales because the product was only manufactured at one of UES's mills. Therefore, UES contends the petitioner's proposed adjustment to UES's costs has no merit.

Department's Position: We agree with UES that petitioner's proposed adjustment has no merit. During verification, UES presented support showing the product in question was only produced in one mill; thus, third-country production costs are irrelevant. Furthermore, the petitioner apparently misunderstood the results of UES's analysis regarding the impact of third-country production. During verification, UES demonstrated that there were only four products manufactured in multiple mills and sold in both the home market and third countries. The impact of weight averaging the production costs for these four products is minimal. Moreover, as respondent noted, its reported costs for the four products were slightly higher than the weighted-average costs it calculated by including the production costs for the third-country sales of these products. Thus, we accepted UES's submission methodology for calculating the cost of production.

Comment 7: Petitioner notes that, at the beginning of verification, UES reported a minor clerical error that increased the costs it reported it had incurred at one of its mills. The petitioner argues that the Department should increase CV for all U.S. products by the amount reported because many U.S. products were produced in that particular mill.

Department's Position: Pursuant to 19 CFR 353.59 (1994), the Department may disregard insignificant adjustments to FMV. For individual adjustments, those which have an *ad valorem* effect of less than 0.33 percent of the FMV are deemed insignificant. Since UES's clerical error was less than 0.33 percent, we have disregarded this adjustment in calculating CV. UES reported its calculation of this clerical error in Cost Verification Exhibit 1.

Comment 8: According to the petitioner, the Department should include the company's 1993 reorganization costs for its steel division in the general and administrative (G&A) expense calculation. Specifically, the petitioner suggests allocating these restructuring costs to UES's steel and forging divisions based on cost of sales.

UES asserts that the Department should exclude the 1993 restructuring costs because these costs reflect an estimate of expenses to be incurred for the company's 1994 reorganization. UES contends the restructuring costs were incurred after the POR and were less than the estimated amount. In addition, UES recorded the actual restructuring expenses by division in its financial accounts as the costs were incurred in 1994. Thus, UES states, these restructuring expenses would be appropriately captured in the next administrative review.

Department's Position: At verification, UES demonstrated that the actual restructuring expenses for each division were incurred after the POR. Therefore, we have not allocated the company level 1993 estimate to each of UES's mills for purposes of this review.

Comment 9: The petitioner contends that part of the closure costs for UES's Templeborough facility should be included in the company's G&A expense calculation. Specifically, the petitioner argues Templeborough closure costs should be allocated to the subject merchandise (leaded bar) using the same methodology the Department applied to the Woodstone mill closure costs.

According to UES, the Department should exclude Templeborough closure costs because the facility did not produce leaded bar and did not have the capability of producing any leaded steel products. UES asserts that, in contrast, its Woodstone mill produced leaded bar; therefore, UES maintains that the Department properly allocated the Woodstone closure costs to the subject merchandise in its preliminary analysis. Furthermore, UES asserts that the Department normally excludes non-operating expenses related solely to entities producing only non-subject merchandise. UES notes it incurred only non-operating expenses in closing its Templeborough facility.

Department's Position: At verification, UES showed that its Templeborough facility did not produce any leaded bar products. We therefore excluded these non-operating costs from our calculation of G&A because UES demonstrated that these closure costs related exclusively to an operation that had produced only non-subject merchandise. See Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from South Africa, 60 FR 22550, May 8, 1995.

Comment 10: UES maintains that the Department's determination to exclude home market related-party sales from the price comparison is inappropriate. UES contends that, even if its sales did not satisfy the traditional arm's-length test, other evidence on the record indicates that UES's related-party price are arm's length in nature. UES argues that it performed the Department's traditional test for determining when related-party prices are at arm's length, and the test shows that UES's prices to related customers are on average higher than its prices to unrelated customers. UES contests the Department's determination, stated in the preliminary review results, that ''UES's analysis of data from this review fails to provide an accurate assessment of whether its related-party sales were made at arm's length because it did not account for certain rebates and it did not perform its arm's-length test on a model group-by-model group basis.'' UES argues that it did perform its analysis on a model-by-model basis, exactly as, it asserts, the Department customarily performs the analysis. According to UES, it first calculated the weighted-average price of each product by CONNUM for each related customer and for all unrelated customers together, separately by level of trade. It then compared the average price for each related customer for each product to the average price for that same product to derive a ratio by which the related-customer price was over or under the unrelated price for that particular product. UES explains that it then weight-averaged each customer's ratios to derive an overall ratio for each related customer. Finally, UES weight-averaged all related customers' ratios to yield the overall ratio between related and unrelated customers' prices. To support this explanation, UES has attached to its brief the model-specific output.

UES argues that the Department improperly deducted ''Rebate 2'' from gross price in performing the arm's-length test, thus skewing the analysis. See UES's proprietary case brief at pages 4–6. It contends that this rebate is available on the same terms to both related and unrelated customers. UES asserts that the varying use of the rebate by different customers is outside of UES's knowledge and control, and does not change the fact that UES negotiates all customers' prices on an arm's-length basis.

UES argues that, even if its sales did not satisfy the traditional arm's-length test, the Department should still confirm its previous determination that UES's prices are market-based and non-discriminatory. UES contends that it

deals with all home market customers on an arm's-length basis, whether related or unrelated. However, UES claims the one overriding determinant of price among customers—which has nothing to do with relatedness—is that UES negotiates lower prices with high-volume customers. UES argues that if the Department identifies any price difference between its large-quantity related customers and its small-quantity unrelated customers, it would be attributed to the fact that UES negotiates lower prices with high-volume customers. UES claims that the same issue arose in the original LTFV investigation, and the Department determined that UES's related party prices were at arm's length. According to UES, it has confirmed to the Department that its policy has not changed since the original LTFV investigation and that it does not discriminate in favor of related customers.

UES notes that, during the POR, it purchased one of its largest customers, Lee Bright Bar (LBB). UES maintains that, if there were price discrimination in favor of related parties, one would expect its prices to LBB to have decreased after the purchase. On the contrary, UES argues, its prices to LBB increased after it became a related party, and even increased at a higher rate than the average for UES's customers in general.

UES asserts that, as further confirmation of its non-discriminatory pricing policy, it has demonstrated that its related prices are equivalent to prices it charged to an unrelated German customer which is comparable in size and purchase volume to UES's related home market customers. UES argues that its sales prices to this unrelated German customer are at or below the weighted-average prices to its related customers in the United Kingdom for the same products in the same months. UES counters petitioner's argument that differences in the U.K. and German markets might account for these price differences by stating that the European Union (EU) is a single, unified market, UES competes directly with German mills, and UES's customers can as freely purchase from European producers as from UES.

Petitioner argues that the Department correctly included Rebate 2 among the items it deducted from gross sales price in performing its arm's-length analysis, in accordance with its policy of using net sales price, after all discounts and rebates have been deducted, in that analysis. Further, petitioner asserts that UES failed to provide any written documentation in support of its claim that all customers are entitled to take advantage of Rebate 2. Petitioner contends that UES is practicing *de facto* price discrimination against unrelated customers through its rebate programs. Petitioner maintains that, even if UES were not intentionally price discriminating against unrelated customers through its rebate program, the terms of Rebate 2 are too onerous to unrelated parties for them to regularly take advantage of this program.

Petitioner challenges what UES has offered as alternate evidence that it does not discriminate in favor of related customers. According to petitioner, UES's related-party profit margin demonstrates that sales to related parties are not made at arm's length. Petitioner argues that sales to a single related customer, LBB, are not representative of sales to all related parties. Petitioner maintains that the Department should disregard UES's claims regarding the German market, since the U.K. market is viable. Furthermore, petitioner asserts that UES failed to provide for the record detailed information, by CONNUM, on all German sales in order to show that the product mix was not responsible for the average price differences. Moreover, petitioner states that, contrary to UES's claim, the EU is not a single market, because significant currency variation occurs between EU member countries. Petitioner argues that UES's claim must be rejected because Congress has specifically prohibited looking at customs unions, such as the UE, as a single country in determining the occurrence of dumping. Petitioner contends that the Department should not make an adjustment to its arm's-length test to take into account differences in sales volumes because the analysis of UES's sales data demonstrates that there were no sales made at different levels of trade and different quantities during the POR.

Department's Position: We disagree with respondent. The information UES originally presented did not indicate that UES had performed the arm's-length test on a model group-by-model group basis. The first time this was mentioned, and the model-specific output submitted to the Department, was in UES's case brief of March 27, 1995. In any event, UES's test was inaccurate since it failed to deduct certain rebates from the sales prices before comparisons were made. UES's argument that we should not deduct rebates prior to the arm's length test is incorrect. Because these rebates are adjustments to price which UES made, we must deduct them from UES's home market prices in order to fairly compare the prices ultimately paid by related and unrelated customers. See Final Determination of Sales at Less Than Fair Value; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the Federal Republic of Germany (54 FR 19089, 19090, May 3, 1989).

Even if we were to abandon our traditional arm's-length test in this case, there is not sufficient evidence on the record to demonstrate that UES meets an acceptable alternate test. In order to determine whether UES's sales to related home market customers were arm's-length in nature, we conducted a three-pronged analysis. See the proprietary memorandum from case analyst to file concerning UES's related party sales dated July ____, 1995. Based on our analysis, we concluded that UES's home market sales to related parties were not at arm's length. Accordingly, we have not used these sales in our determination of FMV.

Comment 11: UES states that the Department correctly decided that, where possible, it would match U.S. and U.K. sales within two quantity groups: one of 25 tons or more, and one of less than 25 tons. However, UES argues that, in its dumping margin computer program, the Department assigned all U.S. sales to the less-than-25-tons group by inadvertently using the wrong quantity variable.

Department's Position: We agree and have revised the computer programming language accordingly.

Comment 12: UES contends that, instead of using selling and packing expenses from the sales database in its cost of production calculations, the Department erroneously used the average selling and packing expenses from the cost database.

Department's Position: We agree and have revised our calculations accordingly.

Comment 13: UES maintains that the Department erred in failing to adjust invoice quantity by the amount shown in the quantity adjustment field. According to UES, this field shows corrections to invoice quantity which UES issues to its customers to correct invoice errors.

Department's Position: We agree and have made the appropriate revision in our calculations.

Final Results of Review

As a result of this review, we determine that the following weighted-average dumping margin exists for the period September 1, 1992, through February 28, 1994:

Manufacturer/Exporter	Period of review	Margin (percent)
United Engineering Steels Ltd. (UES)	9/28/92–2/28/94	5.05

The Department will instruct the Customs Service to assess antidumping duties on all appropriate entries. Individual differences between USP and FMV may vary from the percentage stated above. The Department will issue appraisement instructions concerning all respondents directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of these final results of administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption, as provided by section 751(a)(1) of the Tariff Act: (1) The cash deposit rate for the reviewed company will be the rate shown above; (2) for previously reviewed or investigated companies not listed above, 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 prior review, or the original 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; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 25.82 percent, the ''all others'' rate established in the LTFV investigation.

These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 353.26 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.

This notice also serves as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1) and 19 CFR 353.22.

Dated: August 17, 1995.

Susan G. Esserman,

Assistant Secretary for Import Administration.

[FR Doc. 95–20934 Filed 8–23–95; 8:45 am]

BILLING CODE 3510–DS–M

[C–401–401]

Certain Carbon Steel Products From Sweden; Preliminary Results of Countervailing Duty Administrative Review

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

ACTION: Notice of preliminary results of countervailing duty administrative review.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain carbon steel products from Sweden. We preliminarily determine the net subsidy to be 2.98 percent ad valorem for the period January 1, 1993 through December 31, 1993. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to assess countervailing duties as indicated above. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: August 24, 1995.

FOR FURTHER INFORMATION CONTACT: Stephanie Moore or Christopher Jimenez, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On October 11, 1985, the Department published in the **Federal Register** (50 FR 41547) the countervailing duty order on certain carbon steel products from Sweden. On October 7, 1994, the Department published a notice of ''Opportunity to Request an Administrative Review'' (59 FR 5166) of this countervailing duty order. We received a timely request for review from SSAB Svenskt Stal AB (SSAB), the sole known producer/exporter of the subject merchandise during the period of review (POR).

We initiated the review, covering the period January 1, 1993 through December 31, 1993, on November 14, 1994 (59 FR 56459). We conducted verification of the questionnaire responses from March 27, 1995 through March 31, 1995. The review covers SSAB and nine programs.

Applicable Statute and Regulations

The Department is conducting this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the GATT Subsidies Code, the U.S. statute, and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994. References to the Department's Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments, (54 FR 23366; May 31, 1989) (Proposed Regulations), are provided solely for further explanation of the Department's countervailing duty practice. Although the Department has withdrawn the particular rulemaking proceeding pursuant to which the Proposed Regulations were issued, the subject matter of these regulations is being considered in connection with an ongoing rulemaking proceeding which, among other things, is intended to conform the Department's regulations to the Uruguay Round Agreements Act. See 60 FR 80; Jan. 3, 1995.

Scope of the Review

Imports covered by this review are shipments of certain carbon steel products from Sweden. These products include cold-rolled carbon steel, flat-rolled products, whether or not corrugated or crimped: whether or not pickled, not cut, not pressed and not stamped to non-rectangular shape; not coated or pleated with metal and not clad; over 12 inches in width and of any thickness; whether or not in coils. During the review period, such merchandise was classifiable under the Harmonized Tariff Schedule (HTS) item numbers 7209.11.0000, 7209.12.0000, 7209.13.0000, 7209.21.0000, 7209.22.0000, 7209.23.0000, 7209.24.5000, 7209.31.0000, 7209.32.0000, 7209.33.0000, 7209.34.0000, 7209.41.0000, 7209.43.0000, 7209.44.0000, 7209.90.0000, 7211.30.5000, 7211.41.7000 and 7211.49.5000.