

enrolled for those purposes that are up to 10 percent higher than for other comparable land.

Signed at Washington, DC, on August 14, 1995.

**Bruce R. Weber,**

*Acting Executive Vice President, Commodity Credit Corporation*

[FR Doc. 95-21075 Filed 8-21-95; 3:08 pm]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-843]

#### Notice of Postponement of Preliminary Determination of Sales at Less Than Fair Value: Bicycles From the People's Republic of China (PRC)

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

**EFFECTIVE DATE:** August 24, 1995.

**FOR FURTHER INFORMATION CONTACT:**

Shawn Thompson or Kate Johnson, Office of Antidumping Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, D.C. 20230; telephone (202) 482-1776 or (202) 482-4929, respectively.

#### Postponement of Final Determination

On April 25, 1995, the Department initiated an antidumping duty investigation of bicycles from the PRC. The notice of initiation stated that we would issue our preliminary determination on or before September 12, 1995 (60 FR 21065, May 1, 1995). On August 7, 1995, we received questionnaire responses from nine Chinese exporters of the merchandise subject to this investigation.

On August 18, 1995, petitioners requested a 20-day postponement of the preliminary determination, until October 2, 1995, pursuant to section 733(c)(1)(A) of the Tariff Act of 1930, as amended (the Act). In addition, petitioners asserted that the Department is legally precluded from postponing the preliminary determination for the additional 30 days allowable under Section 733(c)(1)(B) because to do so would require a finding of cooperation by the respondents. Petitioners stated that, because only three of the original nine respondents are participating in this investigation, the Department cannot reasonably conclude that the respondents are cooperating.

We disagree with petitioners and are postponing the preliminary determination under section

733(c)(1)(B) of the Act for the full 50-days allowable. Not only have we received questionnaire responses from the three largest PRC exporters of subject merchandise but we have also received responses from six additional firms. All of these participating exporters are cooperating. Accordingly, we find that the "parties concerned are cooperating," within the meaning of section 733(c)(1)(B).

Moreover, this investigation is rendered extraordinarily complicated by the large number of foreign producers. Furthermore, the process of identifying all exporters who sold subject merchandise to the United States during the period of investigation caused significant delays in issuing our questionnaire. In addition, it appears that establishing surrogate values for the factors of production will require more time than usual due to the complexity of the product.

For these reasons, pursuant to sections 733(c)(1)(B)(i) (II) and (III) of the Act, we determine that this investigation is extraordinarily complicated and that additional time is necessary to make the preliminary determination in accordance with 733(c)(1)(B)(ii) of the Act. We will make our preliminary determination no later than November 1, 1995.

This notice is published pursuant to section 733(c)(2) of the Act and 19 CFR 353.15(d).

Dated: August 18, 1995.

**Barbara R. Stafford,**

*Deputy Assistant Secretary for Investigations.*

[FR Doc. 95-21070 Filed 8-23-95; 8:45 am]

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[A-580-816]

#### Certain Corrosion-Resistant Carbon Steel Flat Products From Korea: 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.

**SUMMARY:** In response to requests by two respondents, the Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on certain corrosion-resistant carbon steel flat products from Korea. The review covers two manufacturers/exporters of the subject merchandise to the United States during the period of review

("POR") from February 4, 1993, through July 31, 1994.

We have preliminarily determined that sales have been made below the foreign market value ("FMV"). If these preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs to assess antidumping duties equal to the difference between the United States price ("USP") and the FMV.

Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** August 24, 1995.

**FOR FURTHER INFORMATION CONTACT:**

Alain Letort or Linda Ludwig, Office of Agreements Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, telephone (202) 482-3793 or fax (202) 482-1388.

**SUPPLEMENTARY INFORMATION:**

#### Applicable Statute and Regulations

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

#### Background

On July 9, 1993, the Commerce Department published in the Federal Register (58 FR 37176) the final affirmative antidumping duty determination on certain corrosion-resistant carbon steel flat products from Korea, for which we published an antidumping duty order on August 19, 1993 (58 FR 44159). On August 3, 1994, the Department published the "Notice of Opportunity to Request an Administrative Review" of this order the period February 4, 1993 through July 31, 1994 (59 FR 39543). We receive a request for an administrative review from Dongbu Steel Co., Ltd ("Dongbu"), Union Steel Manufacturing Co., Ltd. ("Union"), Pohang Coated Steel Co., Ltd ("PCS") and Dongkuk International ("Dongkuk"). We initiated the administrative review on September 8, 1994 (59 FR 46391). Subsequently, PCS and Dongkuk made timely requests that they be allowed to withdraw from the administrative review pursuant to 19 CFR 353.22(a)(5). On April 12, 1995, we published a "Notice of Partial Termination of Administrative Review of Antidumping Order" with respect to these respondents (60 FR 18581). The Department is conducting this review in accordance with section 751 of the Tariff Act of 1930, as amended ("the Act").

### Scope of the Review

These products include 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 HTS under item numbers 7210.31.0000, 7210.39.0000, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.60.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.21.0000, 7212.29.0000, 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, 7215.90.5000, 7217.12.1000, 7217.13.1000, 7217.19.1000, 7217.19.5000, 7217.22.5000, 7217.23.5000, 7217.29.1000, 7217.29.5000, 7217.32.5000, 7217.33.5000, 7217.39.1000, and 7217.39.5000. Included are flat-rolled products of nonrectangular 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 bevelled or rounded at the edges. Excluded 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 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 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. These HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

The POR is February 4, 1993 through July 31, 1994. This review covers sales of certain corrosion-resistant carbon steel flat products by Dongbu and Union.

### United States Price

The Department used purchase price, in accordance with section 772(b) of the Act, when the subject merchandise was sold to unrelated purchasers in the United States. For Union, however, the Department determined, in certain instances, that exporter's sales price ("ESP"), as defined in section 772(c) of the Act, was a more appropriate basis for calculating USP (see below).

We adjusted USP for the Korean value-added tax in accordance with our practice as outlined in various determinations, including Silicomanganese from Venezuela; Final Determination of Sales at Less Than Fair Value, 59 FR 55435 (November 7, 1994).

### Dongbu

All of Dongbu's U.S. sales were based on the price to the first unrelated purchaser in the United States. The Department determined that purchase price, as defined in section 772 of the Act, was the appropriate basis for calculating USP. Depending on the channel of trade, we treated the date of either the purchase order, the internal confirmation or the date of the production order as date of sale. We made adjustments to purchase price, where appropriate, for foreign inland freight, foreign brokerage, ocean freight, containerization, U.S. duty and U.S. brokerage and handling.

No other adjustments were claimed or allowed.

### Union

All of Union's U.S. sales were based on the price to the first unrelated purchaser in the United States. The Department determined that, in most instances, purchase price, as defined in section 772(b) of the Act, was the appropriate basis for calculating USP. In a very few instances, however, the Department determined that exporter's sales price ("ESP"), as defined in section 772(c) of the Act, was a more appropriate basis for calculating USP. These instances involved either (a) sales where the merchandise was resold after entry into the United States, or (b) sales made prior to importation where the merchandise was further processed by an outside contractor in the United

States on a fee-for-service basis. In the latter case, the Department's determination was based on the following facts: (a) Union America ("UA"), Union's sales office in the United States, was the importer of record and took title to the merchandise; (b) UA financed the relevant sales transactions; (c) UA arranged and paid for the further processing; and (d) UA assumed the seller's risk. See the Department's analysis memorandum (for Union) dated August 10, 1995, copies of which, as well as copies of other memoranda referred to in this notice, are available in Room B-099 of the Department's Central Records Unit.

Because quantities were not finalized until the merchandise was actually shipped to the United States, we treated the date of shipment as date of sale (see the Department's analysis memorandum referred to above). We made adjustments to purchase price, where appropriate, for cash discounts and rebates, foreign inland freight, foreign brokerage and handling, ocean freight, marine insurance, U.S. duty, U.S. brokerage and handling, U.S. inland freight, and duty drawback. We made adjustments to ESP, where appropriate, for cash discounts and rebates, foreign inland freight, foreign brokerage and handling, ocean freight, marine insurance, U.S. duty, U.S. brokerage and handling, U.S. inland freight, commissions, credit expenses, warranty expenses, indirect selling expenses, further processing in the United States, and duty drawback. Because Union had understated its U.S. credit expenses by not including bank charges therein, we increased Union's U.S. credit expense by the amount of those charges, which we obtained from UA's audited financial statement.

No other adjustments were claimed or allowed.

### Foreign Market Value

Based on a comparison of the volume of home-market sales and third-country sales, we determined that Dongbu's and Union's home markets were viable. Therefore, in accordance with section 773(a)(1)(A) of the Act, we based FMV on the packed, delivered price to unrelated purchasers in the home market, using the date of the invoice as the date of sale.

Based on a review of Dongbu's and Union's submissions, the Department determined that only a small percentage of those companies' home-market sales were made to related parties who, in turn, resold the merchandise ("downstream sales"). The Department determined that Dongbu and Union need not report their home-market

downstream sales because of their low volume.

Petitioners alleged that Dongbu and Union sold corrosion-resistant carbon steel flat products in the home market at prices below their cost of production ("COP"). Based on this allegation, the Department determined that it had reasonable grounds to believe or suspect that Dongbu and Union had sold the subject merchandise in the home market at prices below the COP. We therefore initiated a cost investigation, in accordance with section 773(b) of the Act. As a result, we investigated whether Dongbu and Union sold such or similar merchandise in the home market at prices below the COP. In accordance with 19 CFR 353.51(c) we calculated COP for Dongbu and Union as the sum of reported materials, labor, factory overhead, and general expenses, and compared COP to home-market prices, net of price adjustments, discounts and movement expenses.

In accordance with section 773(b) of the Act, in determining whether to disregard home-market sales made at prices below the COP, we examined whether such sales were made in substantial quantities over an extended period of time, and whether such sales were made at prices which permitted recovery of all costs within a reasonable period of time in the normal course of trade.

To satisfy the requirement of section 773(b)(1) that below-cost sales be disregarded only if made in substantial quantities, we applied the following methodology. For each model for which less than 10 percent, by quantity, of the home-market sales during the POR were made at prices below the COP, we included all sales of that model in the computation of FMV. For each model for which 10 percent or more, but less than 90 percent, of the home-market sales during the POR were priced below the COP of the merchandise, we excluded from the calculation of FMV those home-market sales which were priced below the COP, provided that they were made over an extended period of time. For each model for which 90 percent or more of the home-market sales during the POR were priced below the COP and were made over an extended period of time, we disregarded all sales of that model in our calculation and, in accordance with section 773(b) of the Act, we used the constructed value ("CV") of those models, as described below. See, e.g., Mechanical Transfer Presses from Japan; Final Results of Antidumping Duty Administrative Review, 59 FR 9958 (March 2, 1994).

In accordance with section 773(b)(1) of the Act, to determine whether sales below cost had been made over an extended period of time, we compared the number of months in which sales below cost occurred for a particular model to the number of months in which that model was sold. If the model was sold in fewer than three months, we did not disregard below-cost sales unless there were below-cost sales of that model in each month sold. If a model was sold in three or more months, we did not disregard below-cost sales unless there were sales below cost in at least three of the months in which the model was sold. We used CV as the basis for FMV when an insufficient number of home-market sales were made at prices above COP. See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews, 58 FR 64720, 64729 (December 8, 1993).

Because Dongbu and Union provided no indication that their below-cost sales of models within the "greater than 90 percent" and the "between 10 and 90 percent" categories were at prices that would permit recovery of all costs within a reasonable period of time and in the normal course of trade, we disregarded those sales within the "10 to 90 percent" category which were made below cost over an extended period of time. In addition, as a result of our COP test for home-market sales of models within the "greater than 90 percent" category, we based FMV on CV for all U.S. sales for which there were insufficient sales of the comparison home-market model at or above COP. Finally, where we found, for certain of Dongbu's and Union's models, home-market sales for which less than 10 percent were made below COP, we used all home-market sales of those models in our comparisons.

We also used CV as FMV for those U.S. sales for which there was no contemporaneous sale of such or similar merchandise in the home market. We calculated CV in accordance with section 773(e) of the Act. We included the cost of materials, labor, and factory overhead in our calculations. Where the general expenses were less than the statutory minimum of 10 percent of the cost of manufacture ("COM"), we calculated general expenses as 10 percent of the COM. Where the actual profits were less than the statutory minimum of 8 percent of the COM plus general expenses, we calculated profit as 8 percent of the sum of COM plus

general expenses. Based on our verification of Dongbu's and Union's cost response, we adjusted Dongbu's reported COP and CV to reflect certain adjustments to general and administrative expenses and interest expenses. See the Department's separate cost calculation memoranda for Dongbu and Union, both dated August 10, 1995.

#### *Dongbu*

In accordance with section 773 of the Act, for those U.S. models for which we were able to find a home-market such or similar match that had sufficient above-cost sales, we calculated FMV based on the packed, f.o.b., ex-factory, or delivered prices to unrelated purchasers in the home market. We made adjustments, where applicable, for certain rebates tied to specific sales, post-sale inland freight, home-market direct selling expenses, *i.e.*, credit and warranty expenses, and for the Korean value-added tax. We also adjusted FMV for differences in physical characteristics of the merchandise. Finally, we adjusted FMV for differences in packing by deducting home-market packing expenses from, and adding U.S. packing expenses to, FMV.

#### *Union*

In accordance with section 773 of the Act, for those U.S. models for which we were able to find a home-market such or similar match that had sufficient above-cost sales, we calculated FMV based on the packed, f.o.b., ex-factory, or delivered prices to unrelated purchasers in the home market. We made adjustments, where applicable, for post-sale inland freight, for home-market direct selling expenses, *i.e.*, credit expenses, and for the Korean value-added tax.

We treated Union's warehousing expense as an indirect selling expense, rather than direct, as Union had claimed, because Union evenly allocated this expense to all home market sales across-the-board, rather than calculating a discrete warehousing expense for each home-market sale.

We also treated Union's pre-sale inland freight as an indirect selling expense, rather than direct, as Union had claimed, pursuant to the decision by the Court of Appeals for the Federal Circuit in *Ad Hoc Committee v. United States*, 13 F.3d 398 (Fed. Cir. 1994). The Department considers pre-sale movement expenses as direct selling expenses only if the movement expenses in question are directly related to the home-market sales under consideration. In order to determine whether pre-sale movement expenses

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.*

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[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.