clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Dated: January 13, 1998.

Linda Engelmeier,

Departmental Forms Clearance Officer, Office of Management and Organization.

[FR Doc. 98–1210 Filed 1–16–98; 8:45 am]

BILLING CODE 3510–07–P

DEPARTMENT OF COMMERCE

[A–405–802]

Certain Cut-to-Length Carbon Steel Plate From Finland; 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 July 15, 1997, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on certain cut-to-length carbon steel plate from Finland (62 F.R. 37866). The review covers one manufacturer/exporter, Rautaruukki Oy (Rautaruukki), for the period August 1, 1995 through July 31, 1996.

EFFECTIVE DATE: January 20, 1998.

FOR FURTHER INFORMATION CONTACT: Heather Osborne or Linda Ludwig, Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone (202) 482–3019 or (202) 482–3833, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 15, 1997, the Department of Commerce (the Department) published in the **Federal Register** (62 FR 37866) the preliminary results of its administrative review of the antidumping duty order on certain cut-to-length carbon steel plate from Finland (58 FR 44165, August 19, 1993). The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

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 practical to complete the review within the statutory time limit of 365 days. On November 3, 1997, the Department extended the time limits for the final results in this case. See Extension of Time Limit for Antidumping Duty Administrative Review, 62 FR 60683 (November 12, 1997).

Applicable Statute and Regulations

Unless otherwise stated, all citations to the Tariff Act of 1930, as amended (the Tariff Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all references to the Department's regulation are to 19 CFR part 353 (April 7, 1997).

Scope of the Review

The products covered by this administrative review constitute one ''class or kind'' of merchandise: certain cut-to-length carbon steel plate. These products include 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 Harmonized Tariff Schedule (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 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 beveled or rounded at the edges. Excluded is grade X–70 plate. These HTS item numbers are provided for convenience and Customs purposes. The written description remains dispostive.

Analysis of Comments Received

We gave interested parties an opportunity to comment on the preliminary results. We received briefs and rebuttal comments from Bethlehem Steel Corporation, U.S. Steel Group, a Unit of USX Corporation, Inland Steel Industries, Inc., LTV Steel Company, Inc., National Steel Corporation, AK Steel Corporation, Gulf States Steel Inc. of Alabama, Sharon Steel Corporation, and WCI Steel Inc., petitioners, and from Rautaruukki Oy (Rautaruukki), a producer/exporter of the subject merchandise. At the request of petitioners and respondent, we held a hearing on October 31, 1997.

Comment 1: Petitioners argue that Rautaruukki's interest revenues should be accounted for and that the Department should adjust Rautaruukki's home market sales prices to account for unreported late payment charges. Petitioners contend that Rautaruukki's stated policy of charging interest to all of its customers for late payments conflicts with Rautaruukki's assertion that in practice, its customers rarely pay interest. Petitioners note that Rautaruukki enters all interest revenues into one general account and argue that charges for late payments constitute interests revenue.

Petitioners assert that the Department confirmed at verification that Rautaruukki's financial records account for total interest revenue received in 1996, but that no information was provided for 1995. Petitioners argue that neither of the transactions cited by respondent support Rautaruukki's claim that it did not accrue and receive interest revenue. Petitioners state that the Department should employ facts available in calculating Rautaruukki's interest revenue due to respondent's failure to provide information on interest revenue earned in 1995 and its failure to identify the sales for which late payment charges were assessed. Petitioners state that, as facts available, the Department should calculate an interest revenue adjustment for all sales for which, pursuant to their terms of payment, payment was recorded as late.

Respondent claims that it has reported interest revenue, and no further adjustment is required. Respondent states the Department verified that interest revenue was properly reported. Respondent contends that it has provided information on the total interest revenue which it received during calender year 1995 and 1996.

Department Position: We partially agree with both petitioners and respondent. At verification, the Department specifically identified one sale solely for verification of interest revenue. As noted in the verification report, the Department verified that for this sale, no interest revenue was received. See Sales Verification Report at 24. We also examined other sales for which the customer had initially been billed for late charges (interest revenue) that were ultimately not paid by the customer. These sales were also properly reported. Rautaruukki reported a negative amount for interest revenue in 1995, and a positive amount for 1996. See Respondent's Rebuttal Brief of September 15, 1997, at 11. Rautaruukki did not, however, allocate interest revenue to 1996 sales in its sales database.

Section 776(a)(2) of the Act provides that if an interested party or any other persons—(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.

Because Rautaruukki did not report any interest revenue in its sales database, although the interest revenue was received, the Department must, pursuant to section 776, use facts otherwise available in these final results. We are allocating as facts available the amount of interest revenue reported for 1996 to all 1996 sales on a per-ton basis.

Comment 2: Petitioners argue that Rautaruukki's submitted gross unit prices should be adjusted, because the Department found a very large discrepancy with respect to the reported gross unit price of a pre-selected home market sale. Petitioners claim Rautaruukki deducted the full amount of the credit from the selected sale rather than applying this credit to all sales listed on the invoice. Petitioners contend that since the error was uncovered pursuant to a small sampling, this suggests that similar errors may well exist elsewhere in the dataset. Petitioners argue that based upon variation in prices within a given product control number, the understatement discovered by the Department at verification could also exist in other product control numbers and, in fact, pervade the dataset. Petitioners contend that the Department should make an adjustment to the entire dataset to account for the errors uncovered with the sample sales. Specifically, petitioners suggest that gross unit prices be increased by the percentage that the samples sales were under-reported.

Respondent argues that it has submitted correct home market gross unit price data and that no adjustment is warranted. Respondent claims that the discrepancy in question was the result of offsetting a credit to a customer against a single line item or transaction which was one of several transactions on a single invoice. Respondent argues that this allocation error works both ways. Although the gross unit price of the sale in question was artificially depressed, the gross unit prices of the remaining transactions on the invoice were artificially increased. Overall, according to Rautaruukki, the errors offset each other. Respondent also contends that, as noted during the sales verification, this was a special project credit involving an end-user (shipyard) in Finland, and that such special or one-time projects are rare. Moreover, respondent notes that the Department's verification of other home market sales did not disclose a similar problem.

Department Position: We agree with respondent. At verification, we found that, for one sale a credit to a customer was offset against a single line item, rather than crediting this amount to all the items to which it applied. We agree with respondent that the consequences of this allocation error serve to artificially depress the gross unit price of the sale in question, while artificially increasing the gross unit prices of the remaining transactions on the invoice. We noted that the one sale in question was found to be below cost, and is therefore already being excluded from our calculation of normal value. We found no evidence at verification of any other discrepancies in the reporting of gross unit prices. No further adjustment of reported gross unit prices is warranted for these final results.

Comment 3: Petitioners state that Rautaruukki should be denied any home market credit expense adjustment because the Department determined at verification that the Finnish short-term interest rate that Rautaruukki used to calculate the reported home market credit expense could not be verified. Petitioners argue that the Department must use facts available in establishing the interest rate applicable to the calculation of the home market credit expense, and deny Rautaruukki any home market credit expense adjustment for the final results.

Respondent argues that it submitted information on its home market interest rate and the Department verified Rautaruukki's total interest expenses. Respondent claims that due to time constraints during the sales verification, the Department chose to postpone the verification of Rautaruukki's home market interest rate until the cost verification. Rautaruukki states that during the cost verification the Department reviewed Rautaruukki's interest expense worksheet and verified Rautaruukki's total interest cost. Additionally, Rautaruukki claims that it provided the Department with detailed information regarding borrowings during the POR. Hence, in respondent's view, Rautaruukki's home market interest rate was reported to the Department and is readily verifiable.

Department Position: We agree with petitioners that we were unable to verify Rautaruukki's home market interest rate. The verification report states that, [w]e were unable to verify Rautaruukki's U.S. or HM interest rates during sales verification. See Sales Verification Report at 23. Respondent's claim that the Department chose to postpone the verification of Rautaruukki's home market interest rate until the cost verification is false. We were prepared to conduct this portion of the verification during the sales verification; however, as noted in the verification report, respondent simply referred us to prior submissions listing short-term borrowings. No original loan agreements or proof of payment relative to these loans were provided to the sales verification team. While the cost verification team examined information relating to respondent's overall interest expense, it was unable to verify the interest rate claimed by Rautaruukki in its home market credit calculation. As a result of the failure on the part of respondent to support a claimed adjustment, and thus our inability to verify that claim, we must use partial facts available pursuant to Section 776(a) of the Act. Thus, as facts available we are denying an adjustment for home market credit expenses for these final results.

Comment 4: Petitioners claim that the Department should use facts available to calculate Rautaruukki's U.S. credit expense because Rautaruukki used Finnish interest rates rather than interest rates related to U.S. borrowing in its calculation of credit, and that the Finnish rate submitted by Rautaruukki could not be verified. Petitioners contend that the Department should use an interest rate of nine percent, the short-term interest rate in effect during the POR which the U.S. Customs Service charged on underpayment of antidumping duties.

Respondent claims that it had no U.S. borrowings during the POR. Rautaruukki states that in view of the Department's verification of Rautaruukki's total interest expense and in light of the fact that Rautaruukki had no U.S. borrowings, the Department should use the Finnish short-term borrowing rate submitted by Rautaruukki for the calculation of its U.S. credit expenses.

Department Position: We partially agree with petitioners. It is Department practice to use a U.S. interest rate in the calculation of U.S. credit expenses. If a respondent does not have such borrowing, the questionnaire instructs the party to use a U.S. published commercial bank prime short-term lending rate. Rautaruukki did not do so. Moreover, as noted in Comment 3 above, the Department was unable to verify respondent's home market interest rate. Therefore, pursuant to Section 776 of the Act, the Department must use facts available to calculate Rautaruukki's U.S. credit expense.

In Certain Cut-to-Length Carbon Steel Plate from Sweden; Final Results of Antidumping Duty Administrative Review, 61 FR 15772, 15780 (April 9, 1996) and Certain Corrosion-Resistant Carbon Steel Flat Products from Australia; Final Results of Antidumping Duty Administrative Reviews, 61 FR 14049, 14054 (March 29, 1996) the Department selected the average short-term lending rates calculated by the Federal Reserve as surrogate U.S. interest rates. These rates represent a reasonable surrogate for respondents' U.S. dollar borrowing rates because they are calculated based on a variety of actual dollar loans to actual U.S. customers. We have employed this methodology as facts available in calculating Rautaruukki's U.S. credit expense using the average short-term dollar lending rate effective during the POR. See Analysis Memorandum, dated December 15, 1997.

Comment 5: Petitioners argue that the Department should adjust Rautaruukki's movement expenses related to international freight charges. Petitioners note that Rautaruukki's movement expenses are based on affiliated party transactions with JIT-Trans. In this situation, petitioners note that the Department tests whether movement expenses based on affiliated party transactions reflect arm's-length transactions by comparing those expenses to movement expenses pertaining to non-affiliated party transactions. Petitioners reject Rautaruukki's claim that JIT-Trans's transfer prices reflect an arm's-length price merely because JIT-Trans is profitable overall. In petitioners' view, this claim is contradicted by a direct comparison of JIT-Trans' charge to Rautaruukki with its charge to an unaffiliated party. Petitioners claim that for the final results, the Department should revise this expense upwards by the percentage that the price to the unaffiliated party exceeded that charged to respondent.

Respondent alleges no additional adjustment is required by the Department to its reported movement expenses other than the adjustment already made for affiliated party mark-up charges. Respondent claims that at verification, Rautaruukki provided the Department with documentation to compare movement expenses from arm's length transactions between Rautaruukki and JIT-Trans and movement expenses from transactions between JIT-Trans and non-affiliated party Outokumpu Oy, a Finnish producer of stainless steel products. Rautaruukki cites the explanation for the higher prices charged Outokumpu in the sales verification report: ''[t]he rate charged the unaffiliated party is somewhat higher * * * because in the winter it is more expensive to go farther north (due to the ice) and also because it is more expensive to make an additional stop.'' Respondent contends that the Department concluded that transactions between Rautaruukki and JIT-Trans are at arm's length and argues that no additional adjustment by the Department is required for movement expenses.

Department Position: We partially agree with petitioners. Respondent did not demonstrate that transactions between Rautaruukki and JIT-Trans are at arm's length. In fact the prices charged to an unaffiliated party are greater than those charged to respondent.

Respondent asserted at verification that ''[t]he rate charged the unaffiliated party is somewhat higher * * * because in the winter it is more expensive to go farther north (due to the ice) and also because it is more expensive to make an additional stop.'' Given the geographic location of Rautaruukki and Outokumpu Oy, we find respondent's explanation that some price differential is attributable to the additional expense of going farther north in the winter to be reasonable. However the charges to the affiliated party are higher in summer as well as in winter. (See Sales Verification Exhibit 26). For these final results, therefore, we are increasing Rautaruukki's reported U.S. movement expenses for all shipments by the absolute value of the amount of the difference in price charged the unaffiliated party and Rautaruukki for the summer. See Analysis Memorandum dated December 15, 1997.

Comment 6: Respondent claims that the Department erred in its selection of a weight conversion factor. Respondent states that the Department chose to apply as facts available the lowest conversion factor submitted by Rautaruukki, or 0.9059, because the Department was unable to verify respondent's reported weight conversion factors. Rautaruukki alleges that this conversion factor is aberrational and the Department's use of this factor distorts the verified information submitted by Rautaruukki. Rautaruuki claims that only one product control number in its database had a conversion factor of 0.9059, and that this product control number contains only one observation, a sale of painted plate. Respondent argues that this sale is not an identical or similar match to its U.S. sales under the Department's mode match criteria. Respondent notes that under the Department's model match hierarchy, painted versus not painted is the first factor to be considered. The respondent explained that none of its U.S. sales are of painted plate and argues that in selecting a conversion factor of 0.9059, based solely on painted plate, the Department selected an aberrant non-representative factor. Respondent argues that its submitted data are the most accurate weight conversion factors. Respondent contends that its calculation of theoretical weight was explained in its submissions and at verification. In the event the Department continues to apply a facts available conversion factor, Rautaruukki urges the Department to apply an average of its reported factors, or 0.9870. Respondent argues that unlike the factor used in the preliminary results, at least this factor would be representative of Rautaruukki's submitted data.

Petitioners claim that the facts available weight conversion factor selected by the Department is appropriate. Petitioners disagree that the

conversion factor used by the Department is aberrational. Further, petitioners argue that because Rautaruukki failed to provide sufficient support for any of its conversion factors at verification, the Department may make an adverse inference to ensure that the respondent does not benefit from its failure to provide the necessary information. See Certain Internal Combustion Industrial Forklift Trucks from Japan, 62 FR 5592, 5594–95 (Feb. 6, 1997). Petitioners note that the Department may use as facts available data that are reported by the respondent or any other data it deems appropriate. See Uruguay Round Agreements Act, Statement of Administrative Action, A.R. Doc. No. 103–316, 103d cong., 2d sess. at 869–870. Petitioners claim there is no requirement that the facts available selected by the Department reflect the actual data or be the most recent information. See *e.g., Rhone Poulenc, Inc.*, v. *United States*, 899 F.2d 1185, 1190 (Fed. Cir. 1990); *Mitsubishi Belting Limited and MBL (USA) Corp.* v. *United States*, Slip Op. No. 97–28, (CIT March 12, 1997) at 5. As the Department could not verify the conversion factors used by Rautaruukki, in petitioners' view, there is no reason to believe that an average of these unverified factors would be more accurate than the factor used by the Department. Petitioners add that using an average factor would essentially reward Rautaruukki for its failure to provide verifiable conversion factors. Petitioners conclude that the use of an average factor would not satisfy the Department's need to make an adverse inference in this instance and urge the Department to continue to use the factor employed in the preliminary results for the final results.

Department's Position: We agree with petitioners. By not providing verifiable weight conversion factors, when respondent could have done so, we have determined that respondent failed to cooperate by not acting to the best of its ability to comply with a request for information. See Certain Cut-to-Length Carbon Steel Plate From South Africa, 62 FR 61731 (November 19, 1997). The Department first learned that Rautaruukki had not reported sale-specific weight conversion factors at sales verification. Rather, we were told, weight conversion factors were calculated for each product control number. The verification outline clearly states: Provide worksheets showing any conversions from actual to theoretical weight. Rautaruukki did not prepare any such worksheets in advance of verification. When asked at verification to support the weight conversion calculation for a specific product control number, Rautaruukki was unable to do so in the time available at the verification. Consequently, pursuant to section 776(b) of the Act, an adverse inference is warranted in selecting facts available. Thus as facts available, we are continuing to use the weight conversion factor employed in the preliminary results of review. See Certain Cut-to-Length Carbon Steel Plate from Finland, 62 FR at 37,876.

Comment 7: Respondent alleges that the Department erred by failing to consider subject merchandise which is manufactured to shipbuilding specification ''A'' as identical merchandise. Respondent claims that its customers sometimes demand that identical merchandise, such as shipbuilding plate grade ''A,'' be certified by the national classification society of the country in which the product will be used. Respondent states that the Department has treated all of the grade ''A'' shipbuilding plate, other than the grade used in the United States, as most similar to this grade, and that the Department assigned a unique weight to the U.S. specification and a different but uniform weight to all other grade ''A'' shipbuilding plate. Respondent claims that the Department is treating identical merchandise differently based on the identity of the classification society. Respondent contends that it demonstrated repeatedly during this administrative review that all grade ''A'' shipbuilding plate subject merchandise manufactured to the ''A'' specification of shipbuilding plate is the same product, regardless of the classification society which provides the certification. Respondent claims that irrespective of national classification society, all grade ''A'' shipbuilding steel has identical chemistry, delivery condition, elongation, yield strength and tensile strength. Respondent claims that it provided mill certificates, which show not only that the chemical and physical properties are the same for all shipbuilding grade ''A'' steel, but also demonstrate that steel from the same cast or heat was used to meet orders for grade ''A'' shipbuilding plate sold to different classification society certifications. Respondent states that it described the procedures that it underwent in order to qualify as a supplier of shipbuilding steels, and notes that in order to be qualified, the various national certification societies used common test pieces and test results. Respondent argues that this interchangeability of test pieces supports its claim that this material is identical and that the various societies apply the same standard for this material.

Petitioners did not comment on this issue.

Department Position: We disagree with respondent. Respondent's argument is based on an examination of the plate that was produced. As we have explained to respondent in this proceeding, the plate specification variable refers to the physical characteristics of the specification. See Analysis Memorandum for the preliminary results of the third administrative review of Certain Cut-to-Length Carbon Steel Plate From Finland (July 7, 1997). Thus, while it is possible to produce plate so that the same plate meets multiple national standards, this in no way demonstrates that the standards themselves are identical. As noted in the final results of the second review, prices can vary based on the specifications to which the product is sold, even though the product is physically identical. See Certain Cut-to-Length Carbon Steel Plate from Finland; Final Results of Antidumping Duty Administrative Review. 62 FR 18468 (April 15, 1997). See also analysis memo. We continue to find that there are certain differences between the various national specifications for grade A shipbuilding plate and are not changing the weights assigned to these products for these final results. We do note, however, that as there was no plate sold in the home market that was made to the same specification as the shipbuilding steel sold in the United States, maintaining the weights assigned to various products will not affect the home market models that are matched to U.S. sales.

Comment 8: Respondent argues that the Department erred by comparing normal cut-to-length carbon steel plate sold to the U.S. market with beveled plate sold in the home market. Respondent claims that beveled plate is a structural steel product which requires separate and additional manufacturing and handling on a different product line. Respondent notes that it has created a special field to identify beveled plate as well as other prefabricated plate products, which may have the same physical characteristics as basic cut-to-length plate, but are manufactured by different processes and have different end uses. Respondent also notes that it has provided information about the different and additional costs associated with the production of beveled plate. Respondent contends that the Department has verified that beveled plate requires additional processing and the different nature of the product is reflected in

Rautaruukki's price list which established an (extra) for beveled plate.

Petitioners allege respondent has failed to demonstrate that beveled plate is not comparable to the plate sold in the U.S. market. Petitioners contend that the Department expressly rejected the arguments raised by respondent in both the first and second administrative reviews. See Certain Cut-to-Length Carbon Steel Plate from Finland, 61 FR 2792, 2795 (January 29, 1996) and Certain Cut-to-Length Carbon Steel Plate from Finland 62 FR 18468, 18471 (April 15, 1997). Petitioners argue that the Department correctly determined in those prior reviews that Rautaruukki failed to establish beveling as a product-matching criterion, and that the Department found that beveled plate does not possess physical characteristics which make it unique from non-beveled plate with regard to applications and uses. Petitioners claim that the Department noted that Rautaruukki had the opportunity to suggest beveling as a characteristic for use in product matching, but failed to do so. See Certain Cut-to-Length Carbon Steel Plate from Finland, 61 FR at 2795. Petitioners argue that nothing has changed with respect to this issue in this review. In petitioners' view, respondent has not established on the record that beveling is a product matching criterion considered by the Department. Petitioners claim that respondent is simply seeking to create its own matching hierarchy. Petitioners state that the support cited by Rautaruukki is the same information that Rautaruukki submitted in the second administrative review information which failed to convince the Department that beveled plate should not be compared to the products sold in the U.S. market.

Petitioners claim that the Department has correctly determined, and as Rautaruukki has conceded, beveled plate products do not possess any physical characteristics that set them apart from non-beveled plate products. Accordingly, petitioners argue that Rautaruukki's contentions regarding the treatment of beveled plate are without merit and should be rejected by the Department.

Department Position: We agree with the petitioners. The Department correctly determined in those prior reviews that Rautaruukki failed to establish beveling as a product-matching criterion, and that the Department found that beveled plate does not possess physical characteristics which make it unique from non-beveled plate with regard to applications and uses. See Certain Cut-to-Length Carbon Steel Plate from Finland, 61 FR 2792, 2795 and Certain Cut-to-Length Carbon Steel Plate from Finland, 62 FR 18468, 18471. The documentation submitted by Rautaruukki in the course of this review does not establish the relevance of beveling as a product matching criterion. We have not changed our treatment of beveled products for these final results.

Comment 9: Respondent contends that the Department failed to convert harbor expenses from Finnish markka to U.S. dollars in its calculation of margin expenses. The respondent suggests that we make an adjustment similar to the adjustment made for international freight charges for affiliated party charges.

Additionally, respondent claims that the Department did not convert direct selling expenses and credit expenses for U.S. sales from Finnish markka to U.S. dollars in the margin calculation program. Rautaruukki reported direct selling and credit expenses in Finnish markka, but the margin calculation program applies these figures in U.S. dollars, resulting in a skewed total for direct expenses for U.S. sales.

Petitioners did not comment on this issue.

Department's Position: We have converted harbor expenses, U.S. direct selling expenses, and U.S. credit expenses from Finnish markka to U.S. dollars. We note that the affiliated party charges were in U.S. dollars so no currency conversion was required for these expenses.

Comment 10: Rautaruukki claims that the Department erred in applying the theoretical weight conversion factor to its verified COP and CV amounts. Rautaruukki argues that the Department should have applied the weight conversion factor only to the sales quantities to insure that all sales were reported on the same (*i.e.,* theoretical weight) basis and not to reported costs which reflect actual costs incurred for delivered or shipped quantities of subject merchandise. Rautaruukki notes that its U.S. sales were all reported on a theoretical weight basis, while some of its home market sales were reported on a theoretical weight basis and some were reported on an actual weight basis. Consequently, for the sales made on a theoretical weight basis, Rautaruukki contends that the costs associated with these sales were reported on a theoretical weight basis, not on an actual weight basis. Therefore, Rautaruukki argues that if the Department decides to apply the conversion factor to costs, it should be applied only to those products sold on an actual weight basis. Rautarrukki suggests that the Department would need to recalculate costs for only two of the three products which were matched in the model match program because one product's costs was reported only on a theoretical weight basis. To recalculate the costs for the other two matched products, Rautaruukki recommends that the Department calculate the relative distribution or allocation of costs associated with each weight basis using the percentage of sales made on each basis. Then, the Department could adjust the costs associated with sales made on an actual weight basis by applying the conversion factor and add this figure to the costs reported on a theoretical weight to arrive at a figure for the cost for all sales on a theoretical weight basis.

Petitioners state that Rautaruukki's claim that cost data are calculated on both theoretical and actual weight basis constitutes new information that the Department has not verified. Petitioners cite the Department's cost verification report which states that to calculate the weighted-average cost for all extras, Rautaruukki used shipped quantities to determine the per ton cost amounts. Because Rautaruukki's case brief dated September 8, 1997, indicates that Rautaruukki calculated the average cost per ton using a combination of costs based on both theoretical weights and actual weights, petitioners argue that Rautaruukki's cost reporting methodology is flawed and the reported amounts are inaccurate and unreliable. Therefore, petitioners cite Final Results of Antidumping Duty Administrative Review: Certain Cut-to-Length Carbon Steel Plate from Sweden, 62 FR 18396, 18398–99 (April 15, 1997), and recommend that the Department reject Rautaruukki's reported per ton costs and apply total facts available.

Department Position: We agree with petitioners that Rautaruukki's cost calculation methodology is flawed in that it relied on production quantities based on both theoretical and actual weights. We disagree with petitioners, however, that Rautaruukki's cost reporting methodology warrants use of total facts available. Under its submission methodology, Rautaruukki first computed a weighted-average cost of manufacturing for the subject merchandise based on two broad product categories, plate and cut-to-length coil. At verification, we confirmed that each of these weighted-average cost categories was calculated by dividing actual costs by total production quantity on an actual weight basis (See Production Reports per February 27, 1997, Submission at Exhibit 3, calculation 3). Rautaruukki then computed an average cost for

extras by multiplying product-specific extra amounts by product-specific sales quantities (some of which were on an actual weight basis, others on a theoretical weight basis) and dividing by the same sales quantities. Because, in the normal course of business, Rautaruukki maintains product-specific sales reports but not product-specific production reports, it used shipped quantities of each product to compute the average cost for extras. Rautaruukki deducted this average cost for extras from the weighted-average cost of manufacturing for each broad product category in order to compute the average base cost for the category. To compute product-specific manufacturing costs, Rautaruukki added to the average base cost the same product-specific extra amounts used to derive the base cost.

By using actual production weights to compute the average costs for each of the broad product categories, and by relying on a mix of theoretical and actual production weights in determining the average cost of extras, Rautaruukki's submitted costs represent a mix of weight bases that do not accurately reflect the per-unit costs incurred to produce the subject merchandise. To correct this flaw, we increased Rautaruukki's reported COP and CV amounts by the theoretical-to-actual weight conversion factor. See Comment 6.

Comment 11: Petitioners argue that the Department should reject Rautaruukki's COP and CV data and use facts available because they contend that Rautaruukki's product-specific cost data are not based on actual costs incurred during the POR, are not supported by source documentation, cannot be reconciled to Rautaruukki's audited financial statements, and are not supported by tests performed by the Department. Petitioners cite Final Results of Antidumping Duty Administrative Review: Certain Cut-to-Length Carbon Steel Plate from Finland, 62 FR 18468, 18472–18473 (April 15, 1997), in which the Department rejected Rautaruukki's cost data in the second administrative review, to support its argument. Petitioners state that the problems identified in the second administrative review persist and that there is insufficient record evidence for the third administrative review to support the Department's reversal of its previous decision.

Petitioners argue that the submitted costs be rejected because the Department verified that product-specific costs are not based on the POR. Petitioners note that all documentation provided by Rautaruukki to substantiate its reported product-specific costs was from outside the POR. Therefore, petitioners maintain that the Department has no reliable basis or record evidence to determine whether the submitted data reflect actual costs for the POR. Petitioners further contend that the Department cannot rely on documentation provided during this review which relates to previous review periods to support Rautaruukki's historical production costs since the Department previously rejected this information.

Rautaruukki argues that the Department's decision regarding costs submitted in this third administrative review must be based on the facts of the current proceeding and not on alleged deficiencies or factual errors in previous administrative proceedings. Rautaruukki asserts that record evidence in the current review clearly states that the Department verified Rautaruukki's submitted product-specific information, reviewed its internal system which tracks quality and dimensional costs by product grade, and reconciled these costs with Rautaruukki's profit-and-loss accounts. Rautaruukki contends that the costs recorded in the quality cost tables dated July 31, 1995, were the costs in effect throughout the POR, and therefore, are a proper basis for calculating product-specific costs. Rautaruukki also states that the Department verified its dimensional extras costs and reconciled these figures with Rautaruukki's financial reports. Lastly, Rautaruukki argues that the Department tested and verified costs for specific products and reconciled these costs with Rautaruukki's financial statements. Therefore, Rautaruukki maintains that its product-specific cost data was verified by the Department to be accurate and reliable.

Department Position: We disagree with petitioners' contention that we must reject totally Rautaruukki's submitted COP and CV data for this review. First, as discussed in Comment 10 above, Rautaruukki relied on actual costs incurred and actual tonnages produced during the POR to calculate weighted-average costs for its broad categories of plates and cut-to-length products. In order to derive the total base cost for each category, Rautaruukki deducted from the weighted-average cost, an amount for the average cost of extras. The company then added back costs for product-specific extras. Contrary to petitioners' assertions, there is nothing inherently unreliable or theoretically unsound about Rautaruukki's underlying cost allocation methodology. Rather, much like other manufacturers that rely on standard costs as a means to distribute actual costs among specific products, Rautaruukki relies on a system of base and standard extra costs to allocate its actual production costs among the company's plate and cut-to-length products. We found this methodology reasonable.

Second, Rautaruukki's product-specific costs are supported by source documentation. In its February 27, 1997, Section D supplemental response, Rautaruukki provided documentation of the detailed calculations used to derive its quality and dimensional extras costs. Rautaruukki notes that these calculations are based on engineering standards and the company's production experience. Petitioners chose not to challenge the validity or accuracy of Rautaruukki's calculations. Instead, the petitioners argue that because Rautaruukki did not update these standards during the POR, the cost of extras as reported by the company are unreliable. For this review, however, we have no reason to believe that Rautaruukki's extra cost calculations, which were based on data used by the company during the POR, do not reasonably represent the cost differences incurred to produce individual products. It is unnecessary for Rautaruukki to update its standard extra costs every year so long as these amounts continue to accurately reflect costs incurred by the company during the year.

Third, the reported costs can be reconciled to Rautaruukki's audited financial statements. During the cost verification, we reconciled Rautaruukki's reported product-specific costs to its audited financial statements noting only a slight difference. See Comment 14 below for further discussion.

Fourth, Rautaruukki's product-specific costs are supported by tests performed by the Department during verification. We tested Rautaruukki's calculations of weighted-average costs, base costs, and extra costs (see cost verification report at pages 7 through 14). During our verification, we determined that the standard costs for extras used by Rautaruukki in the normal course of business during the POR were based on actual production and cost data, engineering standards, and company experience. As discussed above in this comment, we do not believe that it is necessary for Rautaruukki to update every year the tables containing these standard extra costs, where such standard costs continue to reflect the company's production cost experience with reasonable accuracy. In addition, in contrast to petitioners' argument, we

found it reasonable that Rautaruukki reported identical cost of manufacturing amounts for a small number of CONNUMs even though these products had slightly different physical characteristics. We verified the fact that these products had the same cost for various reasons. For example, in some instances, differences in the costs of specific extras offset one another, making the costs of the two products the same in total. In other instances, products with differing plate specifications underwent the same processing and, as a result, incurred the same costs under Rautaruukki's accounting system. Thus, it was not unreasonable for certain of Rautaruukki's products to have identical costs.

Last, to support their argument that the cost data submitted in this review should be rejected, the petitioners cite Final Results of Antidumping Duty Administrative Review: Certain Cut-to-Length Carbon Steel Plate from Finland, 62 FR 18468, 18472–18473 (April 15, 1997), in which the Department rejected Rautaruukki's cost data in the second administrative review. We note that any decision in a specific review must be made on the facts of the record for that review. In this review, as explained above, we were able to verify Rautaruukki's cost extras and found their reporting methodology to be reasonable. As the Department has stated, we review each period independently and may determine that a change in analysis is appropriate. * * * Thus, the Department is not bound in a current administrative review to strictly adhere to the methodology or practice used in a previous review. See Certain Dried Heavy Salted Codfish from Canada, 54 FR 13211, 13213 (March 31, 1989).

Comment 12: Petitioners state that Rautaruukki's variable cost of manufacturing data reported for its home market and U.S. sales differs substantially from the amounts derived from the COP and CV datasets. Petitioners argue that the Department's calculation of variable costs as used for the preliminary determination, which were computed by subtracting the fixed overhead amount reported in the COP dataset from the total cost of manufacturing amount reported in the COP dataset, fails to accurately calculate product-specific costs. Petitioners reason that this methdology is unacceptable because Rautaruukki reported the same fixed overhead amount for every product produced, thereby disregarding fixed-cost differences between products.

As the Department cannot derive accurate product-specific variable costs from Rautaruukki's COP dataset, petitioners recommend that the Department use an adverse facts available percentage of 24.95 percent, the margin from the last administrative review, for calculating the difference in merchandise (difmer) adjustment. As alternative adverse facts available, petitioners suggest that the Department use Rautaruukki's lowest reported home market variable cost and its highest reported U.S. variable cost to calculate the difmer adjustment for all non-identical comparisons. Petitioners assert that use of adverse facts available is appropriate since Rautaruukki failed to submit revised data in response to several requests made by the Department that Rautaruukki ensure that its home market and U.S. sales files reflect the same variable cost of manufacturing amounts as reported in its COP and CV datasets. petitioners cite Final Results of Antidumping Duty Administrative Review: Porcelain-on-Steel Cookware from Mexico, 61 FR 54616, 54618 (October 21, 1996); Preliminary Determination of Sales at Less than Fair Value: Class 150 Stainless Steel Threaded Pipe Fittings from Taiwan, 59 FR 10784, 10785 (March 8, 1994); and Final Determination of Sales at Less than Fair Value: Class 150 Stainless Steel Threaded Pipe Fittings from Taiwan, 59 FR 28432 (July 28, 1994) to support the use of adverse facts available.

Petitioners further contend that if the Department does not use adverse facts available, the Department should at least apply neutral facts available for the difmer adjustment. As neutral facts available, petitioners suggest that the Department apply an amount equal to the twenty percent cap as the difmer adjustment. Petitioners cite Notice of Final Results and Partial Termination of Antidumping Duty Administrative Reviews: Tapered Rolled Bearings, Four Inches or Less in Diameter, and Components Thereof, from Japan, 59 FR 56035, 56048, which was upheld in *NTN Bearing Corp. of America* v. *United States*, 924 F. Supp. 200 (Ct. Int'l Trade 1996), to show that the Department's practice has been to apply an amount equal to the twenty percent cap in those instances where a respondent fails to provide variable cost data in the requisite form for the difmer test.

Rautaruukki disagrees with the petitioners' claim that the Department erred in calculating Rautaruukki's variable costs by subtracting fixed overhead costs from the total cost of manufacture reported in the COP and CV datasets. Rautaruukki maintains that the Department's calculation is acceptable because the Department verified that the cost data are in accordance with its practice and generally accepted accounting principles.

Department Position: We agree with petitioners that Rautaruukki incorrectly reported its fixed manufacturing costs by reporting only amounts related to producing base products (*i.e.*, all products were assigned the same amount of fixed manufacturing costs). As a result, the methodology used by the Department for the preliminary determination (determining product-specific variable cost of manufacturing by subtracting the reported product-specific fixed cost of manufacturing from the product-specific total cost of manufacturing) failed to account for fixed-cost differences arising from processing route differences. This flaw in methodology, however, has no impact on the similar product matches for Rautaruukki in this review. The only difference between home market sales and the U.S. sales to which they are matched is the specification of the steel. All other model match criteria, including width and thickness, and identical. With respect to specification, all U.S. sales and the home market sales that are matched to those U.S. sales are shipbuilding grade A material. As respondent has argued throughout this proceeding (See Comment 7), all shipbuilding grade A material is manufactured the same regardless of the national classification standard to which it is ultimately certified. Petitioners have not disputed these claims. Thus, with respect to these sales, there are essentially no differences in the total cost of manufacturing for the matched products, and no differences in the processing routes or machines used in production. Accordingly, we consider the methodology used by the Department for the preliminary results reasonable and non-distortive for purposes of this review. We are continuing to use this methodology for these final results.

Comment 13: Petitioners claim that Rautaruukki improperly reduced its costs associated with the production of subject merchandise by including revenue from sales of slab in the amount it reported for scrap and sales of by-products. Petitioners note that slabs are semi-finished, non-subject merchandise and that the income from sales of slab should not be deducted from costs. Petitioners recommend that the Department exclude Rautaruukki's reported scrap amount from the calculation of total costs because the

Department has no way of knowing what percentage of Rautaruukki's scrap amount is from sales of slab.

Rautaruukki responds that it did not report slab as a by-product and offset its COP and CV data by revenues from the sale of slabs. Rautaruukki notes that the Department verified that by-products reported include burnt lime, coke, coal tar, sulfur, benzene, nut coke, and utilities. Rautaruukki maintains that slab is not included as a by-product offset in its submitted costs.

Department Position: We agree with Rautaruukki. Although Rautaruukki officials stated that in their management accounting monthly reports, they included sales of slabs with by-product turnovers (See Sales Verification Report at 5), we found no evidence to show that Rautaruukki had improperly offset reported production costs with revenue from the sale of slab. As discussed in our cost verification report at page 7, by-product revenues offset to the cost of subject merchandise included burnt lime, coke, coal tar, sulfur, benzene, nut coke, and utilities. Because we have no evidence that Rautaruukki included sales of slab in the by-product offset, we made no adjustment.

Comment 14: Petitioners argue that if the Department accepts Rautaruukki's product-specific cost data, the Department should make an adjustment to account for the difference between Rautaruukki's May 5, 1997 COP dataset, which was submitted after verification, and its audited financial statements. Petitioners note that the reconciliation reviewed by the Department was based on data submitted prior to verification and that the May 5, 1997 dataset no longer reconciles to Rautaruukki's financial statements. As Rautaruukki did not explain whether the discrepancy between its revised COP dataset and its financial statements relates to subject or non-subject merchandise, petitioners recommend that the Department adjust the submitted data by the amount of the discrepancy.

Rautaruukki replies that the slight discrepancy between its costs submitted on May 5, 1997, and its audited financial statements represents omitted costs of products sold to third countries that were outside the scope of this administrative review. Rautaruukki further contends that the Department verified the accuracy and validity of its cost reconciliation and its production costs for plate. Therefore, Rautaruukki concludes that an adjustment to its reported costs is unwarranted.

Department Position: We agree with practitioners. The reconciliation reviewed by the Department did not include the correction of errors identified at the beginning of verification (See Cost Verification Report at 3, 6, and 7). Based on our revised reconciliation, it appears that the COP and CV data submitted by Rautaruukki in its May 5, 1997, response did not capture all costs as recorded under the company's financial accounting system. As we have no evidence to support Rautaruukki's contention that the difference relates to third country sales that were outside the scope of this administrative review, we adjusted Rautaruukki's submitted costs for this small difference. See Analysis Memorandum dated December 15, 1997.

Final Results of Review

As a result of our review, we have determined that no margin exists for Rautaruukki Oy for the period of August 1, 1995 through July 31, 1996. The Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of review for all shipments of plate from Finland entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rates for the reviewed company will be zero; (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, 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 will be 40.36 percent. This is the all others rate from the amended final determination in the LTFV investigation. See Amended Final Determination Pursuant To CIT Decision: Certain Cut-To-Length Carbon Steel Plate from Finland, 62 FR 55782 (October 28, 1997). These deposit requirements when imposed, 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 Section 351.402(f) of the Department's regulations 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 order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with Sections 351.305 of the Department's regulations. Timely notification of 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 this notice are in accordance with section 751 (a)(1) of the Act (19 U.S.C. 1675(a)(1)) and Sec. 351.213 and 351.221 of the Department's regulations.

Dated: January 12, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–1277 Filed 1–16–98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–423–805]

Certain Cut-to-Length Carbon Steel Plate From Belgium; 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 September 15, 1997, the Department of Commerce (the Department) published the preliminary results of its 1995–96 administrative review of the antidumping duty order on cut-to-length carbon steel plate from Belgium (62 FR 48213). This review covers one manufacturer/exporter of the subject merchandise, Fabrique de Fer de Charleroi, S.A. (FAFER), and its subsidiary, Charleroi (USA) for the period August 1, 1995 through July 31, 1996.

EFFECTIVE DATE: January 20, 1998.

FOR FURTHER INFORMATION CONTACT: Maureen McPhillips or Linda Ludwig, Office of AD/CVD Enforcement, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington,