

section 773(b)(2)(D) of the Act. Therefore, we disregarded the below-cost sales. Where all sales of a specific product were at prices below the COP, we disregarded all sales of that product.

We found that all of NFP's Brazilian sales were at prices below the COP. Thus, in the absence of any above-cost Brazilian sales, we compared constructed export prices to CV in accordance with section 773(a)(4) of the Act.

D. Calculation of CV

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of NFP's cost of materials, fabrication, SG&A, interest, and U.S. packing costs. We made the same adjustments to NFP's reported costs for the CV calculation as we made for the COP calculation.

Because there were no above-cost Brazilian sales and hence no actual company-specific profit data available for NFP's sales of the foreign like product to Brazil, we calculated profit expenses in accordance with section 773(e)(2)(B)(iii) of the Act and the SAA. Section 773(e)(2)(B)(iii) states that profit may be determined under any reasonable method with the appropriate "profit cap." The SAA, however, provides that where, due to the absence of data, the Department cannot determine amounts for profit under alternatives (i) or (ii) of section 773(e)(2)(B) of the Act or a "profit cap" under alternative (iii) of section 773(e)(2)(B) of the Act, the Department may apply alternative (iii) on the basis of the facts available (SAA at 841). In this case, we are unable to determine an amount for profit under alternatives (i) or (ii), or a "profit cap" under alternative (iii) because we do not have actual amounts incurred by NFP on sales of merchandise in the same general category as the subject merchandise and because NFP is the only producer subject to this investigation. Therefore, as facts available under section 773(e)(2)(B)(iii) of the Act, for NFP's profit we are using the 1996 profit margin for Ianasafрут S.A., a leading Chilean fruit and vegetable producer. We believe this data is a reasonable surrogate for NFP's profit because it is based upon a Chilean producer's experience on sales of the same general category as the subject merchandise for a period in which there was no alleged dumping. For SG&A, we have used NFP's actual expenses incurred in Chile on Brazilian sales because this data reflects NFP's actual experience in selling the foreign like product.

Price-to-CV Comparisons

For price-to-CV comparisons, we made adjustments to CV in accordance with section 773(a)(8) of the Act. We deducted from CV the amount of indirect selling expenses capped by the amount of the U.S. commissions.

Currency Conversion

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

Verification

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

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the export price, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
Nature's Farm Products (Chile)	
S.A.	142.43
All Others	142.43

ITC Notification

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

Public Comment

Case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than September 8, 1998, and rebuttal briefs no later than September 11, 1998. A list of authorities used and an executive summary of

issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on September 15, 1998, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by October 13, 1998.

This determination is issued and published in accordance with sections 733(d) and 777(i)(1) of the Act.

Dated: July 27, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98-20910 Filed 8-4-98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-813]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Preserved Mushrooms From India

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

EFFECTIVE DATE: August 5, 1998.

FOR FURTHER INFORMATION CONTACT:

Katherine Johnson or David J. Goldberger, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-4929 or (202) 482-4136, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce ("Department") regulations are to the regulations at 19 CFR part 351, 62 FR 27296 (May 19, 1997).

Preliminary Determination

We preliminarily determine that certain preserved mushrooms ("mushrooms") from India are being, or are likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

Case History

Since the initiation of this investigation (*Notice of Initiation of Antidumping Investigations: Certain Preserved Mushrooms From Chile, India, Indonesia, and the People's Republic of China* (63 FR 5360, February 2, 1998)), the following events have occurred:

During January and February 1998, the Department requested information from the U.S. Embassy in India to identify producers/exporters of the subject merchandise. During February 1998, the Department also requested and received comments from the petitioners and potential respondents regarding the model matching criteria.

On February 27, 1998, the United States International Trade Commission ("ITC") notified the Department of its affirmative preliminary injury determination in this case.

Also on February 27, 1998, the Department issued an antidumping duty questionnaire to Agro Dutch Foods (India) ("Agro Dutch"), Alpine Biotech Ltd. ("Alpine Biotech"), Flex Foods, Ltd., Mandeep Mushrooms Ltd. ("Mandeep"), Ponds India Ltd. ("Ponds"), Premier Mushrooms Ltd. (India) ("Premier"), Saptarishi Agro Industries, Ltd. ("Saptarishi"), and Transchem, Ltd. ("Transchem").

On March 30, 1998, the Department issued a **Federal Register** notice setting aside a period for interested parties to raise issues regarding product coverage. (*See Certain Preserved Mushrooms from Chile, India, Indonesia, and the People's Republic of China: Comments Regarding Product Coverage*, 63 FR 16971 (April 7, 1998)). No parties to this investigation

filed comments regarding product coverage.

In March and April 1998, the Department received responses to Section A of the questionnaire from Agro Dutch, Flex Foods, Ponds, Premier, Transchem, and Saptarishi. In addition, the Department received a March 14, 1998, letter from Weikfeld Agro Products Ltd., stating that it did not sell the subject merchandise to the United States during 1997.

On April 1, 1998, the petitioners in this investigation, L.K. Bowman, Inc., Modern Mushroom Farms, Inc., Monterey Mushrooms, Inc., Mount Laurel Canning Corp., Mushroom Canning Company, Sunny Dell Foods, Inc., and United Canning Corp., submitted a timely allegation pursuant to section 773(b) of the Act that Agro Dutch, Ponds and Transchem had made sales in the third country market at less than the COP. (These three companies reported in their Section A responses that their home markets were not viable). Our analysis of the allegation indicated that there were reasonable grounds to believe or suspect that Agro Dutch, Ponds, and Transchem sold mushrooms in the third country market at prices at less than the COP. Accordingly, we initiated COP investigations with respect to Agro Dutch, Ponds and Transchem pursuant to section 773(b) of the Act (*see Memorandum from Team to Louis Apple, Office Director, dated April 6, 1998*).

On April 14, 1998, pursuant to section 777A(c) of the Act, the Department determined that, due to the large number of exporters/producers of the subject merchandise, it would limit the number of mandatory respondents in this investigation. The Department determined that the resources available to it for this investigation and the three companion investigations limited our ability to analyze any more than the responses of the two largest exporters/producers of the subject merchandise in this investigation. Based on the Section A questionnaire responses, the Department selected the two largest companies, Agro Dutch and Ponds, to be the mandatory respondents in this proceeding (*see Memorandum to Louis Apple, dated April 14, 1998*).

On April 30, 1998, the Department requested comments as to whether it should consider "whole mushroom size" as a physical characteristic for its model matching methodology. On May 14, the petitioners and Ponds responded to the Department's request for information. Agro Dutch responded to the Department's request for information in its questionnaire

responses. On June 4, 1998, petitioners filed rebuttal comments on this issue.

We received responses to Sections B, C and D of the questionnaire from Agro Dutch, Flex Foods, and Ponds in April 1998. We issued supplemental questionnaires for Sections A, B, C, and D to Agro Dutch and Ponds in May 1998 and received responses to these questionnaires in June 1998.

On May 1, 1998, pursuant to section 733(c)(1)(A) of the Act, the petitioners made a timely request to postpone the preliminary determination for forty days. We granted this request and, on May 8, 1998, we postponed the preliminary determination until no later than July 27, 1998. (*See* 63 FR 27264, May 18, 1998).

Postponement of Final Determination and Extension of Provisional Measures

Pursuant to section 735(a)(2) of the Act, on July 20, 1998, Agro Dutch requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until not later than 135 days after the date of the publication of an affirmative preliminary determination in the **Federal Register**. On July 22, 1998, Agro Dutch amended its request to include a request to extend the provisional measures to not more than six months. In accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) Agro Dutch accounts for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting the respondent's request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register**. Suspension of liquidation will be extended accordingly. On July 23, 1998, Ponds made the same request.

Facts Available

We did not receive a questionnaire response from either Alpine Biotech or Mandeep. Section 776(a)(2) of the Act provides that "if an interested party or any other person—(A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i), the administering authority * * * shall, subject to section 782(d), use the facts

otherwise available in reaching the applicable determination under this title." Alpine Biotech and Mandeep failed to respond to the Department's questionnaires. Accordingly, we have determined that use of facts available is appropriate for both respondents.

Section 776(b) of the Act provides that adverse inferences may be used when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. The exporters that decided not to respond in any form to the Department's questionnaire failed to act to the best of their ability in this investigation. Thus, the Department has determined that, in selecting from among the facts otherwise available, an adverse inference is warranted.

Section 776(c) of the Act provides that where the Department selects from among the facts otherwise available and relies on "secondary information," such as the petition, the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The Statement of Administrative Action accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Sess. (1994) (hereinafter, the "SAA") states that "corroborate" means to determine that the information used has probative value. See SAA at 870.

In this proceeding, we considered the petition as the most appropriate information on the record to form the basis for a dumping calculation for these uncooperative respondents. In accordance with section 776(c) of the Act, we sought to corroborate the data contained in the petition. We reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose (e.g., import statistics and foreign market research reports). See Notice of Initiation.

For purposes of the preliminary determination, we attempted to corroborate the information in the petition. We reexamined the export price and constructed value data (the NV basis for the highest petition margins) provided in the petition for the highest margin calculation in light of information obtained during the investigation and, to the extent that the data could be corroborated, found that it continues to be of probative value, except for the direct materials, labor, and variable overhead costs in the petition constructed value calculation. When compared to the price information for these items reported by the respondents for the most comparable merchandise, we found the

petition costs to be significantly different. In this case, we determined that it was appropriate make an adjustment in those values in order to derive a margin that is reliable, relevant, and sufficiently adverse so as to effectuate the statutory purposes of the adverse facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner. We recalculated the constructed value in the petition using the highest costs for these items reported by a respondent, and compared that constructed value to the export price used for the highest margin in the petition in order to calculate a margin for the two uncooperative respondents. The result is 243.87 percent (see Memorandum to the File dated July 27, 1998).

Scope of Investigation

For purposes of this investigation, the products covered are certain preserved mushrooms whether imported whole, sliced, diced, or as stems and pieces. The preserved mushrooms covered under this investigation are the species *Agaricus bisporus* and *Agaricus bitorquis*. "Preserved mushrooms" refer to mushrooms that have been prepared or preserved by cleaning, blanching, and sometimes slicing or cutting. These mushrooms are then packed and heated in containers including but not limited to cans or glass jars in a suitable liquid medium, including but not limited to water, brine, butter or butter sauce. Preserved mushrooms may be imported whole, sliced, diced, or as stems and pieces. Included within the scope of the investigation are "brined" mushrooms, which are presalted and packed in a heavy salt solution to provisionally preserve them for further processing.

Excluded from the scope of this investigation are the following: (1) all other species of mushroom including straw mushrooms; (2) all fresh and chilled mushrooms, including "refrigerated" or "quick blanched mushrooms"; (3) dried mushrooms; (4) frozen mushrooms; and (5) "marinated," "acidified" or "pickled" mushrooms, which are prepared or preserved by means of vinegar or acetic acid, but may contain oil or other additives.

The merchandise subject to this investigation is classifiable under subheadings 2003.10.27, 2003.10.31, 2003.10.37, 2003.10.43, 2003.10.47, 2003.10.53, and 0711.90.4000 of the Harmonized Tariff Schedule of the United States ("HTS"). Although the HTS subheadings are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

Period of Investigation

The POI is January 1, 1997 through December 31, 1997.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by Agro Dutch and Ponds covered by the description in the "Scope of Investigation" section, above, and sold by Agro Dutch to the Netherlands and sold by Ponds to Denmark (see "Home Market Viability" section below) during the POI to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales of identical merchandise in the third country to compare to U.S. sales, we compared U.S. sales to the most similar foreign like product. For those U.S. sales of mushrooms for which there were no comparable third country sales in the ordinary course of trade (i.e., above-cost), we compared U.S. sales to constructed value ("CV").

In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondents in the following order: preservation method, container type, mushroom style, weight, grade, container solution, and label type.

Based on an analysis of the comments received, we have not included whole mushroom size as a physical characteristic for purposes of model matching. The Department has received conflicting information on this issue. For example, Agro Dutch claims that mini mushrooms ("minis") are a premium product and because of sales marketing and cost reasons, this product characteristic must be taken into account. Ponds, on the other hand, states that minis are a substandard product that brings in lower prices than normal size whole mushrooms. The petitioners claim that mushroom size is not a relevant product characteristic for marketing or cost purposes. Accordingly, there is an insufficient basis on the record to find that an additional characteristic is needed at this time.

Fair Value Comparisons

To determine whether sales of mushrooms from India to the United States were made at less than fair value, we compared export price ("EP") to the Normal Value ("NV"), as described in the "Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs for comparison to weighted-average NVs.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade ("LOT") as the EP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on CV, that of the sales from which we derive selling, general and administrative ("SG&A") expenses and profit. For EP, the LOT is also the level of the starting-price sale, which is usually from exporter to importer. To determine whether NV sales are at a different level of trade than EP, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different LOT and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act.

While neither Agro Dutch nor Ponds claimed a LOT adjustment, we have, nonetheless, undertaken an evaluation to determine whether such an adjustment was necessary. In so doing, we examined both respondents' distribution systems, including selling functions, classes of customers, and selling expenses. Ponds sold to only one class of customer in each market. Ponds reported that it does not incur any selling expenses in the U.S. or third country markets. With regard to Agro Dutch, all sales in both markets are made through one channel of distribution. Accordingly, all comparisons are at the same level of trade for both respondents and an adjustment pursuant to section 773(a)(7)(A) is not warranted.

Export Price

For Agro Dutch and Ponds, we used EP methodology, in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation and CEP methodology was not otherwise indicated.

Ponds

We based EP on the packed prices to unaffiliated purchasers in the United States. We made deductions for foreign inland freight, foreign inland insurance and Indian export duty in accordance with section 772(c)(2)(A) of the Act.

Agro Dutch

We based EP on the packed FOB or C&F prices to unaffiliated purchasers in the United States. We made deductions, where appropriate, for foreign inland freight, brokerage and handling, international freight, and Indian export duties, in accordance with section 772(c)(2)(A) of the Act.

Normal Value

After testing (1) home market and third country market viability and (2) whether third country sales were at below-cost prices, we calculated NV as noted in the "Price to Price Comparisons" and "Price to CV Comparisons" sections of this notice.

1. Home and Third Country Market Viability

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared the respondents' volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1) of the Act. Because both Agro Dutch's and Ponds' aggregate volume of home market sales of the foreign like product was less than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was not viable for either respondent. However, we determined that the third country markets of the Netherlands and Denmark were viable for Agro Dutch and Ponds, respectively, in accordance with section 773(a)(1)(B)(ii) of the Act. Therefore, pursuant to section 773(a)(1)(C), we have used third country sales as a basis for NV.

In its Section A response, Agro Dutch argued that the foreign like product sold in Mexico is the most appropriate for comparison to the subject merchandise because it is more similar to the product exported to the United States. However, we selected the Netherlands because it is Agro Dutch's largest third country market and we found identical matches to Agro Dutch's U.S. sales using the model matching hierarchy discussed above under "Product Comparisons." We selected Denmark as the appropriate third country market for Ponds because it was the largest of Ponds' third country markets. See 19 CFR 351.404(e).

2. Cost of Production Analysis

As stated in the "Case History" section of the notice, based on a timely

allegation filed by the petitioners, the Department initiated an investigation to determine whether Agro Dutch's and Ponds' third country sales were made at prices less than the COP.

We conducted the COP analysis described below.

A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the cost of materials and fabrication for the foreign like product, plus an amount for third country SG&A, interest expenses, and packing costs. We used the information from Agro Dutch's and Ponds' Section D supplemental questionnaire responses to calculate COP, with the following adjustments:

Agro Dutch. (1) We calculated COP using the average direct materials expense reported by Agro Dutch, instead of Agro Dutch's original direct material costs, which were derived using a net realizable value allocation.

(2) In order to put the general and administrative ("G&A") rate on the same basis as the per-unit cost of manufacturing, we excluded certain expense items from the cost of goods sold used by Agro Dutch as the denominator in its calculation.

(3) We made the same revisions to the denominator used in the financial expense rate for the same purposes.

(4) Finally, we have not included the startup period adjustment amounts claimed by Agro Dutch in the COP calculations. Agro Dutch calculated the startup adjustments based on total production costs. According to the Statement of Administrative Action ("SAA"), section B.5.d.3, page 167: "Commerce will replace unit production costs incurred during the startup period with unit production costs incurred at the end of the startup period." Actual costs for the newly built rooms at the end of the startup phase were not used in Agro Dutch's calculation of the adjustments. Although we have preliminarily denied Agro Dutch's startup adjustment on the basis that it was miscalculated, we will continue to analyze the company's claim that it meets the statutory conditions for startup under section 773(f)(1)(C) of the Act.

Ponds. (1) We used Ponds' cost worksheets based on actual yields in our calculations instead of relying on Ponds' per-unit costs derived from hypothetical yields.

(2) We increased the cost of manufacturing for certain minis to include an amount for expenses incurred on the reprocessing of minis.

(3) We also revised per-unit variable overhead costs to exclude the Indian

export duty, which we have recalculated as a movement expense.

B. Test of Third Country Sales Prices

We compared the weighted-average COPs for Agro Dutch and Ponds, adjusted where appropriate, to third country sales prices of the foreign like product, as required under section 773(b) of the Act. In determining whether to disregard third country sales made at prices less than the COP, we examined whether (1) within an extended period of time, such sales were made in substantial quantities, and (2) such sales were made at prices which permitted the recovery of all costs within a reasonable period of time. On a product-specific basis, we compared the COP to the third country prices, less any applicable movement charges, rebates, discounts, and direct and indirect selling expenses.

C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the POI were at prices less than the COP, we determined such sales to have been made in "substantial quantities" within an extended period of time, in accordance with section 773(b)(2)(B) of the Act. In such cases, because we compared prices to weighted-average COPs for the POI, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, we disregarded the below-cost sales. Where all sales of a specific product were at prices below the COP, we disregarded all sales of that product. For those U.S. sales of mushrooms for which there were no comparable (above-cost) third country sales in the ordinary course of trade, we compared EP to CV, in accordance with section 773(a)(4) of the Act.

We found that, for certain mushroom products sold by Agro Dutch, more than 20 percent of third country sales were sold at below COP prices within an extended period of time in substantial quantities. We therefore excluded these sales and used the remaining above-cost sales as the basis of determining NV, in accordance with section 773(b)(1) of the Act. For Ponds, we found that all of the third country sales were at prices less than the COP. Thus, in the absence of

any above-cost third country sales, we compared EP to CV in accordance with section 773(a)(4) of the Act.

D. Calculation of CV

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of cost of materials, fabrication, SG&A, interest, and U.S. packing costs. We made the same adjustments to the reported costs for the CV calculation as we made for the COP calculation.

For Agro Dutch, all comparisons were made on a price-to-price basis. Thus, it was not necessary to calculate CV.

As stated above with regard to Ponds, since there were no above-cost Danish sales and, hence, no actual company-specific profit data available for Ponds's sales of the foreign like product to Denmark, we calculated profit in accordance with section 773(e)(2)(B)(iii) of the Act and the Statement of Administrative Action accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Sess. at 841. (1994) ("SAA"). Section 773(e)(2)(B)(iii) states that profit may be determined under any reasonable method with the appropriate "profit cap." The SAA, however, provides that where, due to the absence of data, the Department cannot determine amounts for profit under alternatives (i) or (ii) of section 773(e)(2)(B) of the Act or a "profit cap" under alternative (iii) of section 773(e)(2)(B) of the Act, the Department may apply alternative (iii) on the basis of the facts available. In this case, we are unable to determine an amount for profit under alternatives (i) or (ii), or a "profit cap" under alternative (iii) because we do not have actual amounts incurred by other companies on home market sales of the same general category of products (the so-called profit cap). Therefore, as facts available under section 773(e)(2)(B)(iii) of the Act, for Ponds' profit we are using a rate calculated from Ponds' 1996 financial statements for mushrooms. We believe this data is a reasonable surrogate for profit because it is based upon a period in which there was no alleged dumping. For SG&A, we have used Ponds' actual SG&A expense on sales to the third country. This data reflects Ponds' actual experience in selling the foreign like product.

Price-to-Price Comparisons

We calculated NV based on delivered prices to unaffiliated customers. We made deductions, where appropriate, from the starting price for inland freight, international freight, brokerage and handling, and Indian customs duty. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Act,

where appropriate, for differences in circumstances of sale for imputed credit expenses. Finally, we deducted third country packing costs and added U.S. packing costs, in accordance with section 773(a)(6)(A) and (B) of the Act.

Price-to-CV Comparisons

For price-to-CV comparisons, we made adjustments to CV in accordance with section 773(a)(8) of the Act. We deducted from CV the weighted-average third country direct selling expenses and added the weighted-average U.S. product-specific direct selling expenses, in accordance with section 773(a)(6)(C)(iii) of the Act.

Currency Conversion

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

Verification

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

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the export price, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
Agro Dutch Foods Limited	2.75
Pond's India, Ltd.	15.18
Alpine Biotech Ltd.	243.87
Mandeep Mushrooms Ltd.	243.87
All Others	9.97

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports

are materially injuring, or threaten material injury to, the U.S. industry.

Public Comment

Case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than October 14, 1998, and rebuttal briefs no later than October 21, 1998. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on October 23, 1998, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is issued and published in accordance with sections 733(d) and 777(i)(1) of the Act.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98-20911 Filed 8-4-98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-851]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Preserved Mushrooms From the People's Republic of China

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

EFFECTIVE DATE: August 5, 1998.

FOR FURTHER INFORMATION CONTACT: David J. Goldberger or Kate Johnson, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-4136 or (202) 482-4929, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce ("Department") regulations are to the regulations at 19 CFR Part 351, 62 FR 27296 (May 19, 1997).

Preliminary Determination

We preliminarily determine that certain preserved mushrooms ("mushrooms") from the People's Republic of China are being, or are likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

Case History

Since the initiation of this investigation (*Notice of Initiation of Antidumping Duty Investigations: Certain Preserved Mushrooms from Chile, India, Indonesia, and the People's Republic of China*, (63 FR 5360, February 2, 1998) ("Notice of Initiation")), the following events have occurred:

During January and February 1998, the Department requested information from the U.S. Embassy in the People's Republic of China ("PRC") to identify producers/exporters of the subject merchandise.

On February 27, 1998, the United States International Trade Commission ("ITC") notified the Department of its affirmative preliminary injury determination in this case.

Also, on February 27, 1998, the Department issued an antidumping questionnaire to the China Chamber of Commerce for Import & Export of Foodstuffs, Native Produce, and Animal By-Products (the "Chamber") and the Ministry of Foreign Trade and Economic Cooperation ("MOFTEC") with instructions to forward the questionnaire to all producers/exporters of the subject merchandise and that

these companies must respond by the due dates. During February and March 1998, we sent courtesy copies of the antidumping duty questionnaire to the following companies identified as possible exporters/producers of the subject merchandise during the POI:

Shanghai Maling Canned Food
Fuzhou Cannery
Chin Huay Food Co. (HK) Ltd.
China Ningbo Canned Food
Zhang Zhou General Canned Food
Xia Men Cannery
Raoping Tinned Food Factory
Ruian Canned Factory
Yue Qin Canned Food Factory
Wenzhou Wanli Food Co. Ltd.
Glory Land Food Industrial Co.
Ning De Cannery
Shansha Cannery
Xin an Jiang Canned Food
Cangxi Cannery
Ba Zhong Cannery
Chongqing Cannery
Tung Chun Company
Nang Jin Cannery
Mei Wei Foods Industry Co. Ltd.
Dongguan Canning Factory
Cangban Canned Food Factory
Cofco (Longhai) Food Inc.
Longhai Senox Food Industry Ltd.
Pinghe Canned Factory
Fujian Tiand Food Drink Co.
Shanghai Foreign Trade Xian You
Fuan Canned Food Factory
Xibin Overseas Chinese Canned
Dongya Food Company
Fujian Zhaoan Canned Food
Zhangzhou Xiancheng Canned
Zhang Huaqing Canned Food
Zishan Food Canning Plant
Gerber Food (Yunnan) Food Co.
Jiufa Edible Fungus Co. Ltd.
Xiamen Jiahua Export and Import Trading
Co. Ltd.
Xiamen Gulong Import Export Co., Ltd.
Bazhong Canned Food Factory
Beiliu Canned Food Factory
Dangdong Canned Food Import & Export Co.
Dayi Brewery
Dongqing Canned Food Processing Factory
Fu'an Kangcuo Cereals & Oils Management
Station
Fujian Changshan Huaqiao Canned Food
Processing Factory
Fujian Zhangzhou Canned Food Factory
Hebei Edible Fungus Research Institute
Hunan Changsha Canned Food Factory
Jiangsu Rugao Canned Food Factory
Chifeng Fuyuan Cereals & Oils Co.
Fuzhou Native Produce & Animal By-
Products Import and Export Co.
Guangdong Heshan Foodstuffs Import &
Export Corp.
Beijing Foreign Trade Food Corp.
China National Processed Food Import &
Export Corp.
Chengdu Native Produce Import & Export
Corp.
Shantou Foodstuffs Import & Export Corp.
Shanghai Cereals & Oil Trade Co.
Guangdong Maoming Native Produce Import
& Export Corp.
Henan Native Produce Import and Export
Corp.