

was not received in time to use in calculating COP for this preliminary determination. This information will be included in the Department's final determination.

B. Test of Home Market Prices

We compared YUSCO's reported weighted-average COP to home market sales of the foreign like product as required under section 773(b) of the Act. In determining whether to disregard home market 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) whether 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, less direct and indirect selling expenses, to home market prices, less any applicable movement charges, quantity 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 respondent's home market sales of a given product were at prices less than the COP, we do not disregard any below-cost sales of that product because such below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product are made at prices less than the COP, we determine 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 determine 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, and we disregard the below-cost sales. Where all sales of a specific product are made at prices below the COP, we disregard all sales of that product.

Price-to-Price Comparisons

Because all of YUSCO's home market sales were above COP, we based NV on prices to home market customers. We did not make adjustments for physical differences in the merchandise, as all of YUSCO's sales to the United States were identical to sales in the home market.

We calculated NV based on prices to unaffiliated home market customers. We made deductions for quantity discounts and inland freight. In addition, we made circumstance-of-sale adjustments for differences in credit and warranty

expenses, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs.

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 U.S. 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 |
|-----------------------|------------------------------------|
| YUSCO | 67.68 |
| All Others | 67.68 |

ITC Notification

In accordance with section 733(f) of the Act, we are notifying 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 50 days after the publication of the preliminary determination, and rebuttal briefs, limited to issues raised in case briefs, no later than 55 days after the publication of the preliminary determination. 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 January 7, 1999, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 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 January 10, 1999.

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

Dated: October 27, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-122-830]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils From Canada

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

EFFECTIVE DATE: November 4, 1998.

FOR FURTHER INFORMATION CONTACT: Linda Ludwig or Helen Kramer, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-3833 or (202) 482-0405, 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 Stainless Steel Plate in Coils ("SSPC") from Canada is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Act. The estimated margin of sales at LTFV is shown in the "Suspension of Liquidation" section of this notice.

Case History

On April 20, 1998, the Department initiated antidumping duty investigations of imports of stainless steel plate in coils from Belgium, Canada, Italy, South Africa, South Korea, and Taiwan (Notice of Initiation of Antidumping Investigations: Stainless Steel Plate in Coils From Belgium, Canada, Italy, South Africa, South Korea and Taiwan (63 FR 20580, April 27, 1998)). Since the initiation of this investigation the following events have occurred:

The Department set aside a period for all interested parties to raise issues regarding product coverage. Petitioners (Armco, Inc., J&L Specialty Steel, Inc., Lukens, Inc., and North American Stainless) filed comments on May 8, 1998, stating that while they believed the scope of the investigations was accurate, they wished to clarify certain issues regarding product coverage. These comments did not affect the product coverage. On May 15, 1998, the United States International Trade Commission ("ITC") notified the Department of its affirmative preliminary injury determination in this case. During May 1998, the Department requested information from the U.S. Embassy in Canada to identify producers/exporters of the subject merchandise. During May 1998, the Department also requested and received comments from petitioners and two potential respondents, Atlas Stainless Steels, a division of Sammi Atlas, Inc. of Canada ("Atlas"), and ALZ, N.V. of Belgium, regarding the model matching criteria. On May 27, 1998, the Department issued an antidumping duty questionnaire to Atlas.

On June 24, 1998, the Department received Atlas's response to Section A of the questionnaire. We received Atlas's responses to Sections B and C of

the questionnaire on July 10, 1998. Petitioners filed comments on Atlas's responses to Section A on July 7, 1998, and to Sections B and C on July 24, 1998. On July 29, 1998, petitioners made a timely request that the Department initiate a cost investigation to determine whether respondent made home market sales at prices below the cost of production during the POI. We issued a supplemental questionnaire for Sections A, B, and C on August 5, 1998 and received a response on August 19, 1998. On August 14, 1998, the Department notified Atlas of its determination under section 773(b) of the Act that there are reasonable grounds to believe or suspect that it made sales of the subject merchandise in Canada at prices below its cost of production (COP), and gave Atlas until September 4, 1998, to respond to section D (the cost questionnaire), which was included in the Department's questionnaire issued on May 27, 1998. On September 4, 1998, Atlas declined to respond to section D, citing as reasons the effort, time and expense required.

On July 28, 1998, pursuant to section 733(c)(1)(A) of the Act, the petitioners made a timely request to postpone the preliminary determination for thirty days. The Department determined that these investigations are extraordinarily complicated and that additional time is necessary beyond the thirty days requested by petitioners for the Department to make its preliminary determination. The decision to postpone the preliminary determination until October 27, 1998 was made on August 14, and published on August 21, 1998. (See Stainless Steel Plate in Coils from Belgium, Canada, Italy, South Africa, South Korea and Taiwan; Notice of Postponement of Preliminary Determinations in Antidumping Duty Investigations, 63 FR 44840). On August 20, 1998, petitioners amended the antidumping duty petition to include Allegheny Ludlum Corporation as an additional petitioner.

Scope of Investigation

For purposes of these investigations, the product covered is certain stainless steel plate in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the

specified dimensions of plate following such processing. Excluded from the scope of this petition are the following: (1) plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars.

The merchandise subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.20, 7219.12.00.25, 7219.12.00.50, 7219.12.00.55, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. 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 period of investigation ("POI") is January 1, 1997, through December 31, 1997.

Facts Available

Section 776(a)(2) of the Act provides that if an interested party withholds information that has been requested by the Department, fails to provide such information in a timely manner, or in the form requested, significantly impedes a proceeding under the antidumping statute, or provides information that cannot be verified, the Department shall, subject to subsections 782(c)(1) and (e) of the Act, use facts otherwise available in reaching the applicable determination. Although Atlas did not indicate any inability to respond to the Department's COP questionnaire, it chose not to do so. Because Atlas has refused to provide cost information, we must base its margin entirely on the facts otherwise available.

Atlas submitted responses to sections A, B, and C of the questionnaire, and to a supplemental questionnaire, but declined to respond to the section D (cost) questionnaire on the grounds of time, effort and expense. As a result, the Department is unable to determine whether Atlas's sales in Canada were at prices above COP and provide an appropriate basis for determining normal values. Without accurate COP

and constructed value (CV) data, we cannot perform a reliable sales-below-cost test and LTFV analysis. Consequently, under section 776(a) of the Act, the Department must use facts otherwise available in making its determination.

In selecting from among the facts otherwise available, section 776(b) of the Act authorizes the Department to use an adverse inference if the Department finds that a party has failed to cooperate by not acting to the best of its ability to comply with requests for information. See the Statement of Administrative Action (SAA) at 870. Such adverse inference may include reliance on information derived from the petition. To determine whether the respondent "cooperated" by "acting to the best of its ability" under section 776(b), the Department considers, among other facts, the accuracy and completeness of submitted information and whether the respondent has hindered the calculation of accurate dumping margins. See, e.g., *Certain Welded Carbon Steel Pipes and Tubes from Thailand*; Final Results of Antidumping Duty Administrative Review, 62 FR 53808, 53819-53820 (October 16, 1997); *Brass Sheet and Strip from Germany*; Final Results of Antidumping Duty Administrative Review, 63 FR 42823-42824 (August 11, 1998).

Atlas's refusal to reply to the Department's requests for cost information demonstrates that Atlas has failed to act to the best of its ability in this investigation. Thus, the Department has determined that, in selecting among the facts otherwise available, an adverse inference is warranted with regard to Atlas. Consistent with Department practice in cases in which a respondent fails to cooperate to the best of its ability by refusing to respond to an entire section of the questionnaire, and pursuant to section 776(b)(1) of the Act, as adverse facts available we have applied a margin based on the highest margin alleged in the petition. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Certain Steel Concrete Reinforcing Bars From Turkey*, 62 FR 9737-9738 (March 4, 1997).

Section 776(c) of the Act requires the Department to corroborate, to the extent practicable, secondary information used as facts available. Secondary information is described in the SAA (at 870) as "[i]nformation derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise."

The SAA further provides that "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value (see SAA at 870). Thus, to corroborate secondary information, to the extent practicable, the Department will examine the reliability and relevance of the information used.

During the Department's pre-initiation analysis of the petition, we reviewed the adequacy and accuracy of the information in the petition, to the extent appropriate information was available for this purpose (e.g., import statistics, foreign market research reports, and data from U.S. producers). See Notice of Initiation and "Import Administration AD Investigation Initiation Checklist," (April 20, 1998). The estimated dumping margins were based on a comparison of two home market sales made by Atlas to steel service centers to two U.S. sales, as reported by domestic industry sources. The Department attempted to corroborate all of the secondary information from which the margin was calculated by reviewing all of the data presented and by requesting clarification and confirmation from petitioners and their sources as needed. See Memorandum to the File from Linda Ludwig and Marguerite Trossevin on April 17, 1998 Telephone Call to Market Research Firm Regarding the AD Petition for Antidumping Investigation of Stainless Steel Plate in Coils from Canada (April 20, 1998) and Memorandum to the File from Linda Ludwig on the same date. In addition, for purposes of this preliminary determination, the Department compared the export prices alleged by petitioners based on price quotations obtained from unaffiliated first purchasers with the average unit values of U.S. imports classified under the appropriate HTS number during the same months as the U.S. sales.

We observed that these values were almost identical for the first sale, and very similar for the second sale. U.S. official import statistics are sources which we consider to require no further corroboration by the Department. See *Notice of Final Determination of Sales at Less Than Fair Value: Collated Roofing Nails From the People's Republic of China*, 62 FR 51410, 51412 (October 1, 1997). See Memorandum to the File from Helen M. Kramer on Corroboration of Petitioners' Estimated Dumping Margins (October 14, 1998). However, the Department was provided no information by the respondents or other interested parties, and is aware of no other independent sources of information that would enable it to corroborate home market prices further

for this preliminary determination. The implementing regulation to section 776 of the Act, at 19 CFR 351.308(c), states "[t]he fact that corroboration may not be practicable in a given circumstance will not prevent the Secretary from applying an adverse inference as appropriate and using the secondary information in question." We note also that the SAA at 870 specifically states that, where "corroboration may not be practicable in a given circumstance", the Department may nevertheless apply an adverse inference. Based on the above, we find that the estimated margins set forth in the petition have probative value.

The All-Others Rate

The foreign manufacturer/exporter in this investigation is being assigned a dumping margin on the basis of facts otherwise available. Section 735(c)(5) of the Act provides that, where the dumping margins established for all exporters and producers individually investigated are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including weight averaging the zero, de minimis, and the margins based on facts available. In this case, the margin assigned to the only company investigated is based on adverse facts available. Therefore, consistent with the SAA, at 873, we are using an alternative method. As our alternative, we are basing the all others rate on a simple average of the margins in the petition. As a result, the all others rate is 11.10 percent.

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 percentage margin, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The dumping margin is as follows:

| Exporter/manufacturer | Margin percentage |
|---|-------------------|
| Atlas Stainless Steel (Sammi Atlas) | 15.35 |
| All Others | 11.10 |

The all others rate, which we derived from the average of the margins

calculated in the petition, applies to all entries of subject merchandise other than those exported by the named respondent.

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 November 16, 1998, and rebuttal briefs no later than November 23, 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 December 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 within 75 days after the date of signing of this notice.

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

Dated: October 27, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-475-822]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils ("SSPC") from Italy

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

EFFECTIVE DATE: November 4, 1998.

FOR FURTHER INFORMATION CONTACT: Lesley Stagliano or Rick Johnson, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-0780 or (202) 482-3818, 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 Stainless Steel Plate in Coils ("SSPC") from Italy 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

On April 20, 1998, the Department initiated antidumping duty investigations of imports of stainless steel plate in coils from Belgium, Canada, Italy, South Africa, South Korea, and Taiwan (*Notice of Initiation of Antidumping Investigations: Stainless Steel Plates in Coils From Belgium, Canada, Italy, South Africa, South Korea and Taiwan* (63 FR 20580, April 27, 1998) ("Notice of Initiation"). Since the initiation of this investigation the following events have occurred:

The Department set aside a period for all interested parties to raise issues regarding product coverage. On May 8, 1998, petitioners Armco, Inc.; J&L Specialty Steel Inc.; Lukens, Inc.; the United Steelworkers of America, AFL-

CIO/CLC; the Butler Armco Independent Union; and the Zanesville Armco Independent Organization, Inc. ("petitioners") submitted comments stating that, while they believed the scope of the investigations was accurate, they wished to clarify certain issues concerning product coverage. On May 21, 1998, respondents filed rebuttal comments stating their objection to the scope comments filed by petitioners. The Department made no changes to the scope concerning these comments.

During May 1998, the Department requested information from the U.S. Embassy in Italy to identify producers/exporters of the subject merchandise. The embassy identified two companies in Italy as producers/exporters of subject merchandise, Acciai Speciali Terni SpA ("AST") and Arinox, Srl ("Arinox"). During May 1998, the Department also requested and received comments from petitioners and potential respondents in these investigations regarding the model matching criteria.

On May 15, 1998, the United States International Trade Commission ("ITC") notified the Department of its affirmative preliminary injury determination in this case.

On May 27, 1998, the Department issued antidumping duty questionnaires to AST and to Arinox. On June 24, 1998, Arinox informed the Department by electronic mail that the company did not produce subject merchandise during the period of investigation, and therefore did not respond to the Department's questionnaire.

Furthermore, AST did not respond to the Department's antidumping questionnaire. Thus, the Department received no questionnaire responses from identified Italian stainless steel producers/exporters.

On July 28, 1998, pursuant to section 733(c)(1)(A) of the Act, the petitioners made a timely request to postpone the preliminary determination for thirty days. On August 14, 1998, the Department postponed the preliminary determinations until no later than October 27, 1998. *See Notice of Postponement of Preliminary Antidumping Duty Investigations of Stainless Steel Plate in Coils: from Belgium, Canada, Italy, South Africa, South Korea and Taiwan* (63 FR 44840, August 21, 1998).

On August 20, 1998, petitioners amended the antidumping petitions to include Allegheny Ludlum Corporation as an additional petitioner.

Scope of Investigation

For purposes of these investigations, the product covered is certain stainless