

773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by ALZ in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. For selling expenses, we used the actual weighted-average home market direct and indirect selling expenses.

Price-to-Price Comparisons

For those product comparisons for which there were sales at prices above the COP, we based NV on prices to home market customers. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

We calculated NV based on prices to unaffiliated home market customers. We made deductions for billing adjustments (*i.e.* adjustment for transportation, when customer picks up the merchandise, invoice correction and alloy surcharge), early payment discounts, inland freight, and inland insurance. In addition, we made circumstance-of-sale adjustments or deductions for credit, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs.

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we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**.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 CEP, 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
ALZ, N.V.	3.44
All Others	3.44

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 may be submitted to the Assistant Secretary for Import Administration no later than fifty days after the date of publication of this notice, and rebuttal briefs, limited to issues raised in case briefs, no later than fifty-five days after publication of this notice. 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 fifty-seven days after publication of this notice, 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 no later than one hundred and thirty-five days after publication 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.

[FR Doc. 98-29546 Filed 11-3-98; 8:45 am]
BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-831]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils ("SSPC") From the Republic of Korea

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

EFFECTIVE DATE: November 4, 1998.

FOR FURTHER INFORMATION CONTACT: Carrie Blozy 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) 482-0165 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 Plates in Coils ("SSPC") from the Republic of Korea 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.; North American Stainless; the United Steelworkers of America, AFL-CIO/CLC; the Butler Armco Independent Union; and the Zanesville Armco Independent Organization, Inc. ("petitioners") submitted comments to the Department stating that while they believed the scope of the investigations was accurate, they wished to clarify certain issues concerning product coverage.

In May 1998, the Department requested information from the U.S. Embassy in the Republic of Korea to identify producers/exporters of the subject merchandise. In May 1998, the Department also requested and received comments from the 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 an antidumping duty questionnaire to Pohang Iron and Steel Company ("POSCO") and Sammi Steel Company, Ltd. ("Sammi").

On July 1, 1998, the Department received the response to Section A of the questionnaire from POSCO. Additionally, on July 13, 1998, the Department received a letter from Sammi stating that it did not export the subject merchandise to the United States during 1997. We received POSCO's responses to Sections B, C and D of the questionnaire on July 20, 1998. Petitioners filed comments on POSCO's questionnaire responses in July, August, and September 1998. We issued supplemental questionnaires for Sections A, B, C and D to POSCO on July 13, August 4, September 16, September 17, 1998, and October 7, 1998, and received responses to these questionnaires in July, August, September and October 1998.

On July 28, 1998, pursuant to section 733(c)(1)(A) of the Act, petitioners made a timely request to postpone the preliminary determination for thirty

days. The Department determined that this investigation was extraordinarily complicated and that additional time was necessary beyond the thirty days requested by petitioners for the Department to make its preliminary determination. On August 14, 1998, the Department postponed the preliminary determination fifty days until October 27, 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 (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 this investigation, 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.

Transactions Reviewed

POSCO reported that it made sales of the subject merchandise to affiliated resellers during the POI. On September 16, 1998, the Department requested that POSCO report the home market downstream sales made by its affiliated service centers (see September 16, 1998 supplemental questionnaire). Thus, in determining normal value ("NV") (see "Normal Value" section of the notice, below), the Department excluded POSCO's sales to the affiliated service centers and considered the affiliates' resales of the subject merchandise.

POSCO reported that it made local letter of credit sales ("local sales") in the home market which are exempted from value-added tax requirements because the end-user intends to export its finished product. Because the statute at section 773(a)(1)(B)(i) defines "the price at which the foreign like product is first sold (or, in the absence of a sale, offered for sale) for consumption in the exporting country * * *," we are disregarding home market local sales because there is knowledge that these sales are not consumed in the foreign market (emphasis added).

For its home market transactions, POSCO has reported the date of invoice as the date of sale, i.e., the date when price and quantity are finalized. However, petitioners have alleged that the home market sales documentation provided by POSCO did not appear to support POSCO's claim that price and quantity may change between order and invoice. In August 1998, the Department requested that POSCO describe the type and frequency of price and quantity changes between order and invoice. Based on its analysis of the information submitted by POSCO, the Department found that it required additional information to determine if date of invoice is the appropriate date of sale. As POSCO's supplemental response was not due until October 30, 1998, the Department has not considered this issue for the preliminary determination. Therefore for the preliminary determination, the Department is using the invoice date as the date of sale for home market sales. We intend to revisit this issue after incorporating the revised data into our analysis and verifying the accuracy of that data.

In calculating export price ("EP") (see "Export Price" section of the notice, below), the Department determined that those U.S. sales for which POSCO was

not paid should be excluded from the U.S. database.

For its U.S. sales, POSCO has reported the date of invoice as the date of sale, *i.e.*, the date when price and quantity are finalized. For U.S. sales, petitioners also alleged that the invoice date may not be the appropriate date of sale. Similarly, the Department requested and received additional information from POSCO on its use of invoice date as the date of sale. As described above, the Department found that it did not have enough information to make a determination whether invoice date was the appropriate date of sale and requested additional information from POSCO that was not due until October 30, 1998. Therefore for the preliminary determination, the Department is using the invoice date as the date of sale for U.S. sales. We intend to revisit this issue after incorporating the revised data into our analysis and verifying the accuracy of that data.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by the respondent, covered by the description in the *Scope of Investigation* section, above, and sold in the home market 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 home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed in the antidumping duty questionnaire and the May 27, 1998 reporting instructions.

Fair Value Comparisons

To determine whether sales of SSPC from the Republic of Korea to the United States were made at less than fair value, we compared EP to NV. 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 or constructed export price ("CEP") transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value ("CV"), that of the sales from which we derive selling, general and administrative ("SG&A") expenses and profit. For CEP, it is the

level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different level of trade than CEP, 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. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP-offset provision). See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

In this case, POSCO did not claim an LOT adjustment. The Department notes that in its July 1, 1998 response, POSCO stated that the downstream sales made by the affiliated service centers were at a different level of trade than other sales made by POSCO in the POI to both the U.S. and home market. However, in its October 5, 1998 response on downstream sales, POSCO reported that all sales in the U.S. and home market were made at the same level of trade. To ensure that no such adjustment was necessary, in accordance with principles discussed above, we examined information regarding the distribution systems in both the United States and Korean markets, including the selling functions, classes of customer and selling expenses.

In both the U.S. market and the HM market, POSCO reported one level of trade. POSCO sold through three channels of distribution in the U.S. market: (1) From POSCO Steel Sales and Services Co., Ltd. ("POSTEEL"), POSCO's affiliated company responsible for the majority of home market sales and all U.S. sales, to one unaffiliated end-user; (2) from POSTEEL through Pohang Steel American Corp. ("POSAM"), POSCO's U.S. subsidiary; and (3) from POSTEEL to unaffiliated Korean trading companies for resale in the U.S. POSCO also sold through three channels of distribution in the home market: (1) Directly from its mill to two unaffiliated end users; and (2) through POSTEEL to unaffiliated end-users and domestic trading companies.

Additionally, POSCO has reported the home market downstream sales in HM Channel 3. The affiliates' resales were made exclusively to end-users with one exception.

For sales in HM Channel 1, POSCO performed all sales-related activities including arranging for freight and delivery, providing computerized accounting and sales systems, market research, warranty, sales negotiation, after sales service, and quality control. The same selling functions were performed in HM Channel 2; however, it was POSTEEL, not POSCO which performed all the major selling functions. Finally, in HM Channel 3, POSCO stated that the affiliated resellers sold their sales on a delivered or ex-factory basis.

POSCO performed similar selling functions in the U.S. market as in the home market including making freight and delivery arrangements and offering warranties and technical advice. As in sales in HM Channel 2, POSTEEL performed the major selling functions for U.S., regardless of channel of distribution. POSTEEL made the international freight arrangements except in the case of U.S. Channel 3 in which it sold FOB Pohang Port. Also, in U.S. Channel 2, POSAM invoiced the U.S. customer and for many sales, arranged for delivery to the customer from the U.S. port. Finally, as in the home market, POSCO reported that it did not provide inventory maintenance or advertising in the U.S. market.

Therefore, based on the information on the record, we preliminarily conclude that POSCO performed similar selling functions in the U.S. market and HM Channels 1 and 2 and that a LOT adjustment is not warranted for comparisons between the U.S. market and HM Channels 1 and 2. However, as POSCO's response detailing the type of selling functions performed by the affiliated service centers was not due until October 30, 1998, the Department could not make a determination for this preliminary determination whether the affiliated service centers' resales (HM Channel 3) were sold at a different level of trade than other home market channels or U.S. channels. Thus, the Department will consider this issue for the final determination. For a further discussion of the Department's LOT analysis, see *Memorandum to the File: Analysis Memorandum for the Preliminary Determination*, October 27, 1998.

Export Price/Constructed Export Price

We based our calculation on EP, in accordance with section 772 (a) of the Act, because the subject merchandise

was sold by the producer or exporter directly to the first unaffiliated purchaser in the United States prior to importation, and CEP methodology was not otherwise indicated.

POSCO classified all of its sales of the subject merchandise in the United States as EP sales in its questionnaire response, including those sales made prior to importation through POSAM, POSCO's wholly owned U.S. subsidiary. We examined several factors to determine whether sales made prior to importation through POSAM to an unaffiliated customer in the United States are EP sales. These factors are: (1) whether the merchandise was shipped directly from the manufacturer to the unaffiliated U.S. customer without being introduced into the physical inventory of the affiliated selling agent; (2) whether the sales follow customary commercial channels between the parties involved; and (3) whether the function of the U.S. selling agent is limited to that of a "processor of sales-related documentation" and a "communication link" with the unrelated U.S. buyer. Where the factors indicate that the activities of the U.S. selling agent are ancillary to the sale (e.g., arranging transportation or customs clearance), we treat the transactions as EP sales. Where the U.S. selling agent is substantially involved in the sales process (e.g., negotiating prices), we treat the transactions as CEP sales. See *Certain Cut-to-Length Carbon Steel Plate from Germany: Final Results of Antidumping Administrative Review*, 62 FR 18389, 18391 (April 15, 1997); *Mitsubishi Heavy Industries v. United States*, Slip Op. 98-82 at 6 (CIT, June 23, 1998).

Concerning the first two criteria, the record indicates that POSCO's sales through POSAM were shipped directly from the manufacturer to the unaffiliated U.S. customer and that this was the customary commercial channel. In determining whether the U.S. affiliate acted solely as a "processor of sales-related documentation" and a "communication link" with the unaffiliated U.S. customer, we reviewed the selling functions performed by POSAM and the sales process for these sales. Although POSAM performed a variety of selling functions on behalf of POSCO in connection with POSCO's SSPC sales in the United States, including forwarding inquiries and confirmations to and from the customer and POSTEEL, invoicing customers, arranging for freight to the customer from the U.S. port, collecting payment, and serving as importer of record, POSCO has stated that POSTEEL determined price and terms of sale and

performed all other sales related activities. We will conduct an in-depth examination of the most appropriate classification of POSCO's U.S. sales through POSAM (i.e., CEP versus EP) at verification. However, based on POSCO's record statements, we preliminarily determine that POSCO's U.S. sales of SSPC through POSAM qualify as EP sales. For further discussion of this issue, see *Memorandum to the File: Analysis Memorandum for the Preliminary Determination for POSCO*, October 27, 1998.

We based EP on the packed prices to unaffiliated purchasers in the United States. We made deductions for foreign inland freight, brokerage and handling, ocean freight, marine insurance, U.S. inland freight (where applicable), U.S. brokerage and wharfage charges (where applicable) and U.S. Customs duties in accordance with section 772(c)(2)(A) of the Act. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act. For a further discussion of this issue, see *Memorandum to the File: Analysis Memorandum for the Preliminary Determination for POSCO*, October 27, 1998. As noted in the "Transactions Reviewed" section of the notice, above, the Department's use of POSCO's date of invoice as the date of sale for the U.S. in accordance with 19 CFR 351.401(i) is dependent upon the results of our analysis.

Normal Value

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

Home 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 respondent's 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)(C) of the Act. Since POSCO's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable. Therefore, we have based NV on home market sales.

Cost of Production Analysis

Based on the cost allegation submitted by the petitioners in the petition, the Department found reasonable grounds to believe or suspect that POSCO had made sales in the home market at prices below the cost of producing the merchandise, in accordance with section 773(2)(A)(i) of the Act. As a result the Department initiated an investigation to determine whether POSCO made home market sales during the POI at prices below their respective COPs within the meaning of section 773(b) of the Act. See *Notice of Initiation*.

When the annual inflation rate in the country under investigation exceeds 25 percent, the Department considers that inflation to be significant and often uses a modified questionnaire. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Certain Pasta from Turkey*, 61 FR 30309, 30315 (June 14, 1996).

Although the inflation rate in Korea in December 1997, was 8.19 percent, the annual inflation rate during the POI did not exceed 25% (see International Monetary Fund's International Financial Statistics: Producer Prices (July 1998; March 1998; December 1997; July 1997)). Therefore, we preliminarily determine that it is not appropriate to send out the Department's modified cost questionnaire in this case.

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 POSCO's cost of materials and fabrication for the foreign like product, plus amounts for home market SG&A, interest expenses, and packing costs. We used the information from POSCO's Section D supplemental questionnaire response to calculate COP.

B. Test of Home Market Prices

We compared the weighted-average COP for POSCO, adjusted where appropriate (see above), 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) 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 home market prices, less any applicable movement

charges 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 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", 773(b)(2)(c)(i), 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.

D. Calculation of CV

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of respondent's cost of materials, fabrication, SG&A, interest expenses and profit. We calculated the COP included in the calculation of CV as noted above, in the "Calculation of COP" section of the notice. In accordance with section 773(e)(2)(A) of the Act, we based SG&A and profit on the amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

Price-to-Price Comparisons

For those product comparisons for which there were sales at prices above the COP, we based NV on prices to home market customers. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

We calculated NV based on prices to unaffiliated home market customers. We made a deduction for inland freight. We made circumstance-of-sale adjustments or deductions for credit, warranty expense and interest revenue, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs.

Price-to-CV Comparisons

For price-to-CV comparisons, we made adjustments to CV in accordance with section 773(a)(8) of the Act.

Currency Conversion

Our preliminary analysis of Federal Reserve dollar-won exchange rate data shows that the won declined rapidly at the end of 1997, losing over 40% of its value between the beginning of November and the end of December. The decline was, in both speed and magnitude, many times more severe than any change in the dollar-won exchange rate during the previous eight years. Had the won rebounded quickly enough to recover all or almost all of the initial loss, the Department might have been inclined to view the won's decline at the end of 1997 as nothing more than a sudden, but only momentary drop, despite the magnitude of that drop. As it was, however, there was no significant rebound. Therefore, we have preliminarily determined that the decline in the won at the end of 1997 was so precipitous and large that the dollar-won exchange rate cannot reasonably be viewed as having simply fluctuated during this time, i.e., as having experienced only a momentary drop in value. Therefore, in making this preliminary determination, the Department used daily rates exclusively for currency conversion purposes for HM sales matched to U.S. sales occurring between November 1 and December 31, 1997.

The Department makes this determination without the benefit of extensive case precedent dealing with this area of our currency conversion policy. The Department therefore welcomes comments from interested parties on all aspects of our analysis and the time period-specific exchange rates used. For the purposes of the final determination, the Department will also analyze the implications, if any, of the decline in the won during 1997 for price averaging and whether multiple averages are warranted. The Department is studying this issue in *Mushrooms from Indonesia*. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Preserved Mushrooms from Indonesia*, 63 FR 41783 (August 5, 1998).

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
POSCO	2.77
All Others	2.77

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 57 days after the publication of the preliminary determination, 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 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.

[FR Doc. 98-29547 Filed 11-3-98; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-791-805]

Notice of Preliminary Determination of Sales at Less Than Fair Value; Stainless Steel Plate in Coils From South Africa

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

ACTION: Notice of preliminary determination of sales at less than fair value.

EFFECTIVE DATE: November 4, 1998.

FOR FURTHER INFORMATION CONTACT: Robert James at (202) 482-5222 or John Kugelman at (202) 482-0649, Antidumping and Countervailing Duty Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Tariff Act), are 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 citations to the Department's regulations are to the regulations codified at 19 CFR Part 351 (April 1, 1998).

Preliminary Determination

We preliminarily determine that stainless steel plate in coil (SSPC) from South Africa 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 Tariff 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, the Republic of South Africa (South Africa), South Korea, and Taiwan. See *Initiation of Antidumping Duty Investigations: Stainless Steel Plate in Coils From Belgium, Canada, Italy, Republic of 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. On May 8, 1998, Armco Inc., J & L Specialty Steel, Inc., Lukens, Inc., North American Stainless, United Steelworkers of America, AFL-CIO/CLC, Butler Armco Independent Union, and Zanesville Armco Independent Organization, Inc. (petitioners)¹ filed comments aimed at clarifying the scope of these investigations.

During May 1998, the Department requested information from the U.S. Embassy in Pretoria to identify producers/exporters of the subject merchandise. On May 15, 1998, the Department also requested comments from petitioners, a potential respondent, Columbus Stainless (Columbus), and the Embassy of South Africa regarding the criteria to be used for model matching purposes. Petitioners submitted comments on our proposed model matching criteria on May 21, 1998.

Also on May 21, 1998, the United States International Trade Commission (the Commission) notified the Department of its affirmative preliminary injury determination in this case.

The Department subsequently issued its antidumping questionnaire to Columbus on May 27, 1998. The questionnaire is divided into five parts; we requested that Columbus respond to section A (general information, corporate structure, sales practices, and merchandise produced), section B

(home market or third-country sales), and section C (U.S. sales). Columbus submitted its response to section A of the questionnaire on June 24, 1998; Columbus's responses to sections B and C followed on July 20, 1998.

Petitioners filed comments on Columbus's questionnaire responses in July and August 1998. We issued a supplemental questionnaire for Sections A, B, and C to Columbus on August 18, 1998, to which Columbus responded on September 8, 1998.

On July 29, 1998, petitioners made a timely request for a thirty-day postponement of the preliminary determination pursuant to section 733(c)(1)(A) of the Tariff Act. The Department determined that these concurrent investigations are extraordinarily complicated and that additional time would be required beyond the thirty days requested by petitioners for the Department to make its preliminary determinations. On August 14, 1998, we postponed the preliminary determination until no later than October 27, 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 (August 21, 1998).

On August 7, 1998, petitioners timely filed an allegation that Columbus's sales of the foreign like product were at prices below its cost of production. After analyzing petitioner's allegation and soliciting additional clarification from petitioners, on August 24, 1998, we requested that Columbus respond to section D (cost of production (COP) and constructed value (CV)) of our original questionnaire. Columbus filed its response on September 30, 1998. We solicited additional information on Columbus's COP in a supplemental questionnaire issued October 6, 1998. Columbus timely filed its response on October 19, 1998.

The Department issued an additional supplemental sales questionnaire on October 15, 1998; Columbus's response to this questionnaire is due October 30, 1998.

Scope of the Investigation

For purposes of this investigation, 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

¹ On August 28, 1998, petitioners amended the antidumping duty petitions to include Allegheny Ludlum Corporation as an additional petitioner.