the chart below. The 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
Nippon Seisen	29.56
Suzuki	29.56
All Others	15.20

Section 735(c)(5)(B) of the Act provides that, where the estimated weighted-average dumping margins established for all exporters and producers individually investigated are zero or *de minimis* margins or 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. In this case, the margin assigned to the two companies investigated is based on facts available. Therefore, consistent with the SAA, at 873, we are using an alternative method. As our alternative, we have based the all-others rate on a simple average of the margins in the petition, as revised at the time of initiation of this investigation.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing the Customs Service to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

We are issuing and publishing this determination in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: April 2, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–8923 Filed 4–8–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–814]

Stainless Steel Round Wire From India; Final Determination of Sales at Less Than Fair Value

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

ACTION: Notice of final determination of antidumping duty investigation.

EFFECTIVE DATE: April 9, 1999.

FOR FURTHER INFORMATION CONTACT: Diane Krawczun or Richard Rimlinger, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–0198 or (202) 482–4477, respectively.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR Part 351 (April 1998).

Final Determination

We determine that stainless steel round wire from India is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins are shown in the *Continuation of Suspension of Liquidation* section of this notice.

Case History

The Department issued the preliminary determination in this investigation on November 12, 1998. *See Notice of Preliminary Determinations of Sales at Less Than Fair Value and Postponement of Final Determinations—Stainless Steel Round Wire From Canada, India, Japan, Spain, and Taiwan; Preliminary Determination of Sales at Not Less Than Fair Value and Postponement of Final Determination—Stainless Steel Round Wire From Korea,* 63 FR 60402 (November 18, 1998) (preliminary determination). Since the preliminary determination, the following events have occurred.

In December 1998 and January 1999, we conducted on-site verifications of the questionnaire responses submitted by Raajratna Metal Industries Limited (Raajratna). We received case briefs from the petitioners [1] and the respondent on February 19, 1999, and we received rebuttal briefs from the same parties on February 26, 1999. We held a public hearing on March 11, 1999.

Scope of Investigation

The scope of this investigation covers stainless steel round wire (SSRW). SSRW is any cold-formed (*i.e.*, cold-drawn, cold-rolled) stainless steel product of a cylindrical contour, sold in coils or spools, and not over 0.703 inch (18 mm) in maximum solid cross-sectional dimension. SSRW is made of iron-based alloys containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Metallic coatings, such as nickel and copper coatings, may be applied.

The merchandise subject to this investigation is classifiable under subheadings 7223.00.1015, 7223.00.1030, 7223.00.1045, 7223.00.1060, and 7223.00.1075 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Period of Investigation

The period of the investigation (POI) is January 1, 1997, through December 31, 1997. This period corresponds to the respondent's four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, March 1998).

Fair Value Comparisons

To determine whether sales of stainless steel round wire from India were made at less than fair value, we compared the export price (EP) to the normal value (NV). Our calculations followed the methodologies described in the preliminary determination except as noted below. *See also* our analysis memorandum dated April 2, 1999, which has been placed in the file.

Export Price and Constructed Export Price

For the price to the United States, we used EP as defined in section 772 of the Act. We calculated EP based on the same methodology used in the preliminary determination, except that we calculated an amount for U.S.

[1] ACS Industries, Inc., Al Tech Specialty Steel Corp., Branford Wire & Manufacturing Company, Carpenter Technology Corp., Handy & Harman Specialty Wire Group, Industrial Alloys, Inc., Loos & Company, Inc., Sandvik Steel Company, Sumiden Wire Products Corp., and Techalloy Company, Inc.

indirect selling expenses for Raajratna's EP sales as an offset to its home-market commissions in accordance with § 351.410(e) of the Department's regulations (*see* our response to Comment 3, below).

Normal Value

We used NV as defined in section 773 of the Act. We calculated NV based on the same methodology used in the preliminary determination. We based NV on CV where there was no above-cost HM sale for comparison. In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of Raajratna's cost of materials, fabrication, general expenses, profit and U.S. packing costs. In general expenses, we included HM indirect selling expenses and an amount we calculated to cover expenses Raajratna incurred in its Mumbai sales office on certain sales which Raajratna had reported.

Section 776(a)(1) of the Act provides that, if necessary information is not available on the record, the Department shall, subject to section 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Raajratna indicated in its response that it was unable to segregate and report its U.S. indirect selling expenses. In addition, Raajratna did not report its home-market (HM) indirect selling expenses. As facts available, we calculated an indirect selling expense factor as an offset for Raajratna's HM commissions which we deducted from NV. We used the same factor to deduct HM indirect selling expenses from HM price in our determination of whether HM sales were made below the cost of production (COP) and to add HM indirect selling expenses to constructed value (CV).

Also, Raajratna did not report all of its general and administrative (G&A) expenses with respect to its Mumbai (Bombay) sales office which assisted Raajratna in obtaining raw materials for the manufacture of subject merchandise and in the completion of certain sales. We calculated an amount based on Raajratna's response to cover these expenses.

Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP, by model, based on the sum of Raajratna's cost of materials, fabrication, general expenses, and packing costs. We relied on the COPs submitted by Raajratna except in the following instances where the submitted costs were not quantified or valued appropriately: (1) we calculated an amount for Raajratna's HM indirect selling expenses which we deducted from HM price for COP comparisons and added to CV for NV comparisons; (2) we used a revised financial expense ratio using cost of sales in the denominator; (3) we included in Raajratna's G&A expense portions of expenses incurred in Raajratna's Mumbai office; (4) we used a model-specific yield-loss rate to calculate direct materials costs; and (5) we added HM packing expenses to COP.

Currency Conversions

As in the preliminary determination, we made currency conversions in accordance with section 773A of the Act. The Department's preferred source for daily exchange rates is the Federal Reserve Bank.

Verification

As provided in section 782(i)(1) of the Act, we verified the information submitted by the respondent for use in our final determination. We used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by the respondent.

Interested Party Comments

Comment 1. Export Incentive System—Adjustment to EP

Raajratna argues that the Department should add to EP amounts received as export incentives under the Indian Government's Duty Entitlement Passbook (DEPB) System. Raajratna argues that the DEPB benefits received from the Indian Government are directly related to exports and are part of Raajratna's net returns on its U.S. sales. Raajratna argues further that, alternatively, the Department should treat the DEPB benefits as a circumstance-of-sale (COS) adjustment to NV because the DEPB program is linked directly to Raajratna's U.S. sales. Raajratna cites *Fuel Ethanol From Brazil,* 51 FR 5572 (1986), and *Acetylsalicylic Acid From Turkey,* 52 FR 24492 (1987) to support its position.

The petitioners respond that Raajratna is not entitled to an adjustment for reported DEPB benefits because it failed to meet the Department's two-prong test for a duty-drawback adjustment. Specifically, the petitioners note that Raajratna was unable to provide at verification information which would link the claimed refund amount to actual imports of raw materials. The petitioners also argue that the prior determinations Raajratna cited are irrelevant and inapplicable because both cases precede the Department's two-prong test for making duty-drawback adjustments to NV. The petitioners state that, in *Fuel Ethanol From Brazil,* the Department determined that premiums received under an export credit program directly related to the export sales were COS adjustments but that, because Raajratna's reported DEPB adjustments do not qualify as COS adjustments, *Fuel Ethanol From Brazil* is inapplicable for this final determination. The petitioners argue further that Raajratna's reliance upon *Acetylsalicylic Acid From Turkey* is also misplaced because the payment at issue was not a government benefit but the result of an arm's-length contract.

Department's Position: Section 772(c)(1)(B) of the Act requires the Department to make an upward adjustment to NV for import duties rebated by reason of exportation to the United States. We interpret this requirement to apply only when the respondent meets our two-prong test *i.e.*, that (1) the import duty and rebate are directly linked to, and dependent upon, one another; and (2) there were sufficient imports of the imported material to account for the duty drawback received for the export of the manufactured product (*see e.g., Final Results of Antidumping Duty Administrative Review: Oil Country Tubular Goods from Korea,* 64 FR 13169, 13172 (March 17, 1999)). We found during the sales verification that, although Raajratna demonstrated actual receipt of refund amounts under the DEPB system, it could not supply information establishing how the Government of India calculates the amount refunded to Raajratna. (*See Sales Verification Report.*) We also found that Raajratna's consumption of imported wire rod dropped significantly during the POI. *Id.* In addition, we found during the cost verification that the incentive credits received under the DEPB system are not based on the actual amount of the duty paid. (*See* Verification of Cost of Production and Constructed Value Data for Raajratna Metal Industries, Ltd., dated February 9, 1999.) Therefore, because Raajratna established neither a direct link between the import duty paid by suppliers and passed on to Raajratna, nor sufficient imports of wire rod to account for the duty it received, we are unable to adjust EP for duty drawback under section 772(c)(1)(B) of the Act.

The prior determinations cited by Raajratna are unsupportive because both cases precede the establishment of the two-prong test. *See Huffy Corp.* v. *U.S.,* 632 F. Supp. 50 (CIT 1986). In addition, contrary to Raajratna's assertion, benefits received under the DEPB system do not qualify for a COS adjustment because benefits received constitute revenue to Raajratna. COS adjustments reflect selling expenses incurred by a respondent; however, we found at verification that the DEPB refunds were not tied to any selling expenses nor were they based on actual customs duties Raajratna paid to purchase raw materials for the manufacture of subject merchandise. *Cost Verification Report* at 2, 11; *Sales Verification Report* at 8. Indeed, Raajratna's DEPB benefits were based on the FOB sales prices of Raajratna's finished goods for export and exceeded substantially the amount of customs duties Raajratna paid to import raw materials directly. Thus, we have denied Raajratna a COS adjustment. (*See* section 773(a)(6)(C)(iii) of the Act and section 351.410(b) of the Department's regulations.) Raajratna's reliance upon *Fuel Ethanol From Brazil* is unsupportive here because, in this case, we find that Raajratna's DEPB benefits do not qualify for a COS adjustment since they were unrelated to differences in selling expenses. Thus, we have denied Raajratna an adjustment to EP for refund amounts under the DEPB system.

Comment 2: Export Incentive System—CV Adjustment

Raajratna argues that, if the Department does not increase U.S. prices to reflect the DEPB incentive, it should reduce Raajratna's CV by the export incentive earned on Raajratna's U.S. sales. Raajratna argues that an adjustment to CV is appropriate because the purpose of the export incentive is to reduce the cost of materials to the extent of the import duties incurred. Raajratna also argues that reducing CV by this incentive is consistent with Department precedent, citing *Stainless Steel Bar From India,* 62 FR 10540 (March 7, 1997) (*SS Bar From India I*), *Stainless Steel Bar From India,* 63 FR 13622 (March 20, 1998) (*SS Bar From India II*), *Solid Urea From the Former German Democratic Republic,* 62 FR 61271 (1997) (*Solid Urea From Germany*), *Camargo Correa Metais* v. *United States,* Slip Op. 98–152 (CIT 1998) (*Camargo Correa Metais*), and *AK Steel Corp.* v. *United States,* Slip Op. 97–152 (CIT 1997) (*AK Steel Corp.).*

The petitioners argue that the Department should not use the DEPB incentive as an offset to Raajratna's CV. The petitioners argue that no statutory provision exists which allows for such an offset. The petitioners contend that the DEPB incentive is not granted in order to offset any additional costs Raajratna incurred in purchasing raw materials. The petitioners argue that, since the Department's regulations and Antidumping Manual define CV as the costs of producing the subject merchandise exported to the United States as if it were sold in the home market, CV represents non-export sales made in the home market. Raajratna rebuts petitioners' characterization of CV, citing *Ad Hoc Committee of Florida Producers of Gray Portland Cement* v. *United States,* Slip Op. 98–131 at 23 (CIT 1998).

The petitioners argue further that, because Raajratna's claimed DEPB incentives were unrelated to (and exceeded) the actual amount of import duties paid, the Department should not use the incentive amounts to reduce Raajratna's COP or CV. Also, because Raajratna classifies the DEPB incentive as a revenue on its income statement, the petitioners argue that offsetting Raajratna's CV by the DEPB benefits constitutes a deviation from Raajratna's normal accounting practice and violates section 773(f)(1)(A) of the Act, the Statement of Administrative Action (H. Doc. 316, 103d Cong., 2d Sess. 821, 834–835 (SAA)), and Department practice.

The petitioners reject the cases cited by Raajratna as unsupportive, arguing that the respondent in *Camargo Correa Metais* received a government credit for use against future tax liability in the home market, which the Court of International Trade (CIT) determined to constitute a refund of the tax. The petitioners distinguish this case in that the import duties Raajratna paid were not refunded upon exportation because the DEPB incentives it received were not based upon import duties paid on raw materials. The petitioners also argue that *AK Steel Corp.* and *Solid Urea From Germany* are unsupportive because they demonstrate the Department's long-standing practice to base COP upon a producer's actual costs and to refuse to restate such costs to exclude government payments which are linked to specific costs.

Finally, the petitioners argue that, if the Department determines that the DEPB incentives should offset Raajratna's reported raw materials costs, the Department should cap the DEPB amount by the level of import duties and apply it only to Raajratna's CV and not to its COP. The petitioners note that Raajratna requests only that its CV material costs be adjusted for DEPB benefits. The petitioners argue further that an offset to COP for the DEPB benefits is improper because no correlation exists between the import duties paid and the DEPB benefits received upon exportation.

Department's Position: We found at verification that the DEPB refunds were unrelated to the customs duties Raajratna paid to purchase raw materials for the manufacture of subject merchandise. *Cost Verification Report* at 2, 11; *Sales Verification Report* at 8. Indeed, Raajratna's DEPB benefits were based on the FOB sales prices of Raajratna's finished goods for export and exceeded substantially the amount of customs duties Raajratna paid to import raw materials directly. Therefore, because we find no link between the revenue Raajratna received and its cost of purchasing raw materials, we are unable to decrease Raajratna's COM to reflect the DEPB benefits received.

Although Raajratna cited prior decisions and precedent in support of its position, the facts of this case indicate that an offset for raw materials costs is not warranted here. First, *AK Steel Corp.* did not address the issue of a downward adjustment to production costs to reflect government benefits, as Raajratna maintains. In *Solid Urea from Germany*, the Department agreed with the respondents that, where government payments were linked to specific costs and recorded in the respondent's financial statements, the respondent's COP should reflect government benefits received. *Solid Urea from Germany* at 61273. Here, Raajratna could not link its DEPB payments to specific costs and records the payments as revenue; thus to capture the DEPB benefits in Raajratna's COP calculation would be inconsistent with *Solid Urea from Germany.* In *Camargo Correa Metais,* the Department and the CIT found that a government tax credit, which constituted a refund, should be deducted from the respondent's CV calculation. *Id.* at 3. Here, however, we found that import duties Raajratna paid were not refunded upon exportation because the DEPB incentives were not directly based upon import duties Raajratna had paid on raw materials. Further, *SS Bar from India I* did not address an adjustment to CV for government benefits received. Finally, Raajratna cites to *SS Bar from India II,* in which the Department did not discuss the reasons justifying an adjustment to the respondent's CV costs for government credits received. *Id.* However, in the original less-than-fair-value investigation for that case, the Department explained that the facts of the case warranted an adjustment to CV for government credits received because the revenues were ''directly related'' to its purchases of domestic raw materials used to produce subject merchandise and represented an appropriate offset to the respondent's raw materials costs. *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Bar from India*, 59 FR 66915, 66920 (December 28, 1994). Because in this case we found no link between Raajratna's DEPB credits received and its raw materials costs, we find no justification for an offset to CV for those credits. Thus, where NV is based on CV, we have made no adjustment to Raajratna's raw materials costs for DEPB credits it received.

Comment 3: COP and CV Calculation

The petitioners argue that the Department should revise Raajratna's reported G&A expense ratio to include expenses incurred in its Mumbai office. The petitioners note that Raajratna included in its G&A expense ratio only the salary of the Mumbai-office employee performing liaison functions but not the expenses incurred in performing those functions. The petitioners argue that there are other legitimate G&A costs incurred by the Mumbai office for Raajratna's operation as a whole and that these should be included in COP and CV in accordance with the Department's long-standing practice.

Department's Position: We agree with the petitioners that we should include Raajratna's Mumbai-office expenses in the COP and CV calculation. We verified that the Mumbai office is a trading office which purchases raw materials consumed in the manufacturing process of the subject merchandise and occasionally facilitates HM sales. To calculate its general expenses, Raajratna included only the salary of the employee assigned to the Mumbai office. Raajratna excluded from the calculation of its G&A rate office expenses associated with maintaining that employee at the Mumbai office. Consistent with our normal methodology, we have allocated a portion of the total expenses of the Mumbai office to the merchandise under investigation. (*See Fresh Atlantic Salmon*, 63 FR at 31433.)

Comment 4: HM Indirect Selling Expenses

The petitioners argue that Raajratna did not report HM indirect selling expenses in its calculation of COP and that the Department should deduct these expenses from net HM prices before making the comparison to COP.

Department's Position: We agree that we should deduct HM indirect selling expenses from net price in our COP calculation. We calculated a HM indirect selling expense amount for Raajratna by calculating an indirect selling expense factor and applying it to Raajratna's HM sales. We deducted this amount from net price for COP. (*See* Final Determination Analysis Memorandum: Stainless Steel Round Wire From India, dated April 2, 1999.) We also added HM indirect selling expenses to our CV calculations.

Comment 5: Packing Expenses

The petitioners argue that the Department should add packing expenses to the calculation of Raajratna's COP or deduct packing expenses from the ''net price COP'' calculation.

Department's Position: We agree that we must deduct packing costs from net price for COP, which we compare to the cost of manufacturing, in order to achieve an apples-to-apples comparison. Therefore, we have deducted packing expenses from net price for COP for the final determination. This is consistent with the methodology we employed for all other SSRW investigations (*see, e.g.*, Preliminary Determination Analysis Memorandum—SSRW from Canada, Central Wire, dated November 12, 1998).

Comment 6: Commission Offset

The petitioners argue that the Department should use facts available for Raajratna's commission offset because Raajratna reported HM commissions but not U.S. commissions or U.S. indirect selling expenses. The petitioners argue that the Department should either omit the deduction for HM commissions from its calculation of HM prices or set the U.S. offset to the value of the HM commission.

Department's Position: We agree that Raajratna reported no U.S. commissions or U.S. indirect selling expenses. However, rather than omit the deduction for HM commissions or set the U.S. offset to the value of the HM commission, we have calculated an indirect selling expense amount by allocating all indirect selling expenses incurred by Raajratna over all sales in both markets. We then offset HM commissions by this amount for the final determination in accordance with section 351.410(e) of the Department's regulations. (*See Final Determination Analysis Memorandum: Stainless Steel Round Wire From India*, dated April 2, 1999.)

Comment 7: Financial Expense Ratio

Raajratna noted that the Department should revise its financial expense ratio based on the Department's verification findings.

Department's Position: We agree with Raajratna that we should revise the financial expense ratio according to our findings at verification and have made this adjustment for the final determination based on a company-wide cost-of-sales amount.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of stainless steel round wire from India that are entered, or withdrawn from warehouse, for consumption on or after November 18, 1998, the date of publication of the preliminary determination in the **Federal Register**. The Customs Service shall require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds the EP, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin (percent)
Raajratna	18.64
All Others	18.64

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing the Customs Service to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

We are issuing and publishing this determination in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: April 2, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–8924 Filed 4–8–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–469–808]

Notice of Final Determination of Sales at Less Than Fair Value—Stainless Steel Round Wire From Spain

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

EFFECTIVE DATE: April 9, 1999.

FOR FURTHER INFORMATION CONTACT: Thomas Schauer or Robin Gray, Office of AD/CVD Enforcement 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–4852 or (202) 482–4023, respectively.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (''the Department'') regulations refer to the regulations codified at 19 CFR Part 351 (April 1998).

Final Determination

We determine that stainless steel round wire from Spain is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins are shown in the *Continuation of Suspension of Liquidation* section of this notice.

Case History

The preliminary determination in this investigation was issued on November 12, 1998. *See Notice of Preliminary Determinations of Sales at Less Than Fair Value and Postponement of Final Determinations—Stainless Steel Round Wire From Canada, India, Japan, Spain, and Taiwan; Preliminary Determination of Sales at Not Less Than Fair Value and Postponement of Final Determination—Stainless Steel Round Wire From Korea,* 63 FR 60402 (November 18, 1998) (preliminary determination).

Scope of Investigation

The scope of this investigation covers stainless steel round wire (SSRW). SSRW is any cold-formed (*i.e.*, cold-drawn, cold-rolled) stainless steel product of a cylindrical contour, sold in coils or spools, and not over 0.703 inch (18 mm) in maximum solid cross-sectional dimension. SSRW is made of iron-based alloys containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Metallic coatings, such as nickel and copper coatings, may be applied.

The merchandise subject to this investigation is classifiable under subheadings 7223.00.1015, 7223.00.1030, 7223.00.1045, 7223.00.1060, and 7223.00.1075 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Period of Investigation

The period of the investigation (POI) is January 1, 1997, through December 31, 1997. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, March 1998).

Facts Available

Inoxfil did not respond to our questionnaire. Section 776(a)(2) of the Act provides that, if an interested party (A) withholds information that has been requested by the Department; (B) fails to provide such information in a timely manner or in the form or manner requested subject to sections 782(c)(1) and (e) of the Act; (C) significantly impedes a proceeding under the antidumping statute; or (D) provides such information but the information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination. Because this firm did not respond to our questionnaire and because the relevant subsections of section 782 of the Act do not apply, we must use facts otherwise available to calculate the dumping margins for this company.

Section 776(b) of the Act provides that adverse inferences may be used when an interested party fails to cooperate by not acting to the best of its ability to comply with the Department's requests for information. *See also* Statement of Administrative Action accompanying the URAA, H.R. Rep. No. 316, Vol.1, 103d Cong., 2d Sess. 870 (1994) (SAA). The lack of response by Inoxfil to the Department's antidumping questionnaire constitutes a failure by this respondent to act to the best of its ability to comply with a request for information, within the meaning of section 776 of the Act. Thus, the Department has determined that, in selecting among the facts otherwise available, an adverse inference is warranted.

Because we were unable to calculate margins for this respondent in this investigation, we assigned this respondent the highest margin in the petition (recalculated by the Department, as appropriate). This approach is consistent with Department practice. *See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod from Germany,* 63 FR 40433 (July 29, 1998) (*Stainless Steel Wire Rod From Germany*). The highest petition margin is 35.80 percent.[1]

Section 776(b) states that an adverse inference may include reliance on information derived from the petition or any other information placed on the record. *See also* SAA at 829–831. Section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) in using the facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal.

During our pre-initiation analysis of the petition, we reviewed the adequacy and accuracy of the secondary information in the petition from which the margins were calculated, to the extent that appropriate information was available for this purpose. *See Initiation of Antidumping Duty Investigations: Stainless Steel Round Wire from Canada, India, Japan, the Republic of Korea, Spain, and Taiwan,* 63 FR 26150, 26151 (May 12, 1998). However, we are aware of no other independent sources of information that would enable us to corroborate the components of the margin calculation in the petition further. The implementing regulation to section 776 of the Act, 19 CFR 351.308(c), states that ''[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.''

[1] At the time of initiation, we revised petition margins based on price-to-price comparisons because the petitioners had not provided sufficient support for the home market freight figures used in their calculations. We made no additional revisions to the petition margins.