

determined the margin of dumping for all manufacturers/producers/exporters of the subject merchandise from India to be 114.80 percent, and established an antidumping duty deposit rate of 71.09 percent after taking into account the 43.71 percent export subsidy rate. Therefore, we will report to the Commission the margins from the original investigations as contained in the Final Results of Reviews section of this notice.

### Final Results of Reviews

As a result of these reviews, the Department finds that revocation of the antidumping duty orders would be likely lead to continuation or recurrence of dumping at the margins listed below:

#### India

| Manufacturer/Exporter                       | Margin (percent) |
|---|------------------|
| All Manufacturers/Producers/Exporters ..... | * 114.80         |
| * (71.09 as adjusted for CVD)               |                  |

#### China

| Manufacturer/Exporter  | Margin (percent) |
|--|------------------|
| China National Chemicals Import & Export Corporation, Hebei Branch ..... | 19.14            |
| All Others .....   | 85.20            |

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

These five-year ("sunset") reviews and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: January 31, 2000.

**Holly A. Kuga,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-489-501]

#### Notice of Preliminary Results of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube From Turkey

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

**SUMMARY:** In response to a request by the respondent, the Department of Commerce is conducting an administrative review of the antidumping duty order on certain welded carbon steel pipe and tube from Turkey. This review covers shipments of this merchandise to the United States during the period May 1, 1998, through April 30, 1999.

We preliminarily determine that sales have been made below normal value. If these preliminary results are adopted in our final results, we will instruct the U.S. Customs Service to assess antidumping duties equal to the differences between the United States price and the normal value.

Interested parties are invited to comment on the preliminary results. Parties who submit arguments are requested to submit with each argument: (1) a statement of the issue; and (2) a brief summary of the argument.

**EFFECTIVE DATE:** February 8, 2000.

**FOR FURTHER INFORMATION CONTACT:** David Layton or Charles Riggle, AD/CVD Enforcement, Office 5, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0371 or (202) 482-0650, respectively.

#### SUPPLEMENTARY INFORMATION:

#### 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 are to the regulations codified at 19 CFR Part 351 (1999).

#### Background

On May 15, 1986, the Department published in the **Federal Register** the antidumping duty order on certain welded carbon steel pipe and tube from

Turkey (51 FR 17784). On May 19, 1999 (64 FR 27235), we published in the **Federal Register** the notice of "Opportunity to Request an Administrative Review" of this order covering the period May 1, 1998, through April 30, 1999, hereinafter referred to as the POR. In accordance with 19 CFR 351.213(b)(2), on May 28, 1999, The Borusan Group (Borusan), a producer and exporter of certain welded carbon steel pipe and tube, requested a review. On June 30, 1999, we published the notice of initiation of this antidumping duty administrative review covering the period May 1, 1998, through April 30, 1999 (64 FR 35124). We are now conducting this administrative review in accordance with section 751 of the Act.

#### Scope of the Review

The products covered by this review include circular welded non-alloy steel pipes and tubes, of circular cross-section, not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded and coupled). Those pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioner units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protection of electrical wiring, such as conduit shells.

The scope is not limited to standard pipe and fence tubing, or those types of mechanical and structural pipe that are used in standard pipe application. All carbon steel pipes and tubes within the physical description outlined above are included in the scope of this review, except for line pipe, oil country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit.

Imports of these products are currently classifiable under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90.

Although the HTSUS subheadings are provided for convenience and customs

purposes, our written description of the scope of this proceeding is dispositive.

### Fair Value Comparisons

We compared the export price (EP) to the normal value (NV), as described in the *Export Price* and *Normal Value* sections of this notice. Because Turkey's economy experienced high inflation during the POR (approximately 45 percent), as is Department practice, we limited our comparisons to comparison market sales made during the same month in which the U.S. sale occurred and did not apply our "90/60 contemporaneity rule" (see, e.g., *Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta From Turkey*, 63 FR 68429, 68430 (December 11, 1998)). This methodology minimizes the extent to which calculated dumping margins are overstated or understated due solely to price inflation that occurred in the intervening time period between the U.S. and home market sales. We first attempted to compare products sold in the U.S. and home markets that were identical with respect to the following characteristics: grade, diameter, wall thickness, finish, and end finish. However, given that there were no contemporaneous sales of identical merchandise, we compared U.S. products with the most similar merchandise sold in the home market based on the characteristics listed above, in that order of priority.

### Export Price

Because Borusan sold subject merchandise directly to the first unaffiliated purchaser in the United States prior to importation, and constructed export price methodology was not otherwise warranted based on the record facts of this review, in accordance with section 772(a) of the Act, we used EP as the basis for all of Borusan's sales.

We calculated EP as the packed, delivered price to unaffiliated purchasers in the United States. In accordance with section 772(c)(2)(A) of the Act, we made deductions from the starting price (gross unit price), where appropriate, for foreign inland freight, foreign inland insurance, international freight and other related charges. In addition, we added countervailing duties and duty drawback.

### Normal Value

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared Borusan's volume of home market sales of the foreign like product to the volume

of its U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Because Borusan'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 of the subject merchandise, we determined that the home market was viable. We calculated NV as noted in the "Price to Price Comparisons" section of this notice.

### Cost of Production Analysis

Because the Department disregarded sales below the cost of production (COP) in the last completed review of Borusan, we had reasonable grounds to believe or suspect that sales of the foreign product under consideration for the determination of NV in this review may have been made at prices below the COP as provided by section 773(b)(2)(A)(ii) of the Act. Therefore, pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of sales by Borusan in the home market. (See *Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipes and Tubes From Turkey (Final Results)*, 63 FR 35190 (June 29, 1998)).

#### A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the COP based on the sum of Borusan's costs of materials and fabrication employed in producing the foreign like product, plus selling, general, and administrative expenses (SG&A) and the cost of all expenses incidental to placing the foreign like product in condition packed ready for shipment.

In order to avoid the distortive effect of inflation on our comparison of costs and prices, we requested that Borusan submit monthly production costs incurred during each month of the POR. We calculated a POR-average cost for each product after indexing the reported monthly costs of manufacturing (COM) during the POR to an equivalent currency level using the wholesale price index for Turkey from the *International Financial Statistics*, published by the International Monetary Fund. We then restated the POR-average COM to the currency level of each month and calculated monthly COP and constructed value (CV) for each product. We relied on Borusan's submitted costs to calculate COP and CV. To obtain a Borusan Group general and administrative (G&A) expense factor, we used the company-wide cost information from Borusan's three pipe and tube manufacturing companies. We applied the G&A and interest expense

rates to the COM plus packing because the denominator used to compute the rates included packing.

The respondent provided information in the response showing that one of the Borusan mills, Kartal Boru, received coil and zinc inputs from affiliated parties. We consider coil and zinc to be major inputs and therefore we have applied the major input rule to value such purchases (see *Notice of Final Results and Partial Rescission of Antidumping Review: Certain Pasta from Italy*, 64 FR 6615, 6621 (February 10, 1999)). The major input rule of section 773(f)(3), together with section 772(f)(2) of the Act, provides that the Department may value inputs obtained from affiliated parties at the highest of the transfer price, the market price or the affiliated supplier's costs. See 16 CFR Section 351.407(b). However, some of the inputs in this review were purchased from an affiliated mill that was collapsed with Borusan for purposes of this and previous reviews. With respect to those inputs (i.e., inputs from a collapsed entity), we do not apply the major input rule. Rather, in those instances, we value the purchases based upon the cost of producing the input. See e.g., *AK Steel Corp. v. United States*, 34 F Supp. 2d 75b(CIT 1998) (affirming the Department's determination not to apply the major input rule to transactions between collapsed entities).

Therefore, for major input purchases of coil from the affiliated party not collapsed with Borusan, we have utilized the highest of: (1) The cost of producing the input; (2) the transfer price; or (3) the market price. In contrast, we have valued major input purchases of coil and zinc from the collapsed entity at the cost to the affiliated provider. See Preliminary Results Analysis Memorandum, dated January 31, 2000, on file in the Central Records Unit (room B-099 of the main Commerce Department Building).

#### B. Test of Home Market Prices

We compared the indexed weighted-average COP figures to home market sales of the foreign like product as called for by section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP. On a product-specific basis, we compared the COP to the home market prices, less any applicable movement charges, rebates and direct selling expenses.

#### C. Results of COP Test

Pursuant to section 773(b)(2)(C)(i) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we do

not disregard any below-cost sales of that product because we determine 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 are at prices less than the COP, we disregard the below-cost sales because they (1) were made over an extended period of time in substantial quantities in accordance with sections 773(b)(2)(B) and (C) of the Act, and (2) based on comparisons of prices to weighted-average COPs for the POR, were at prices which would not permit the recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Act.

We found that, for certain products, more than 20 percent of Borusan's home market sales were sold at below the COP. Further, we did not find that the prices for these sales provided for the recovery of costs within a reasonable period of time. We therefore excluded these sales from our analysis and used the remaining above-cost sales as the basis for determining NV, in accordance with section 773(b)(1).

#### Price to Price Comparisons

For those comparison products for which there were sales at prices above the COP, we based NV on home market prices. In these preliminary results, we were able to match all U.S. sales to contemporaneous sales of a similar foreign like product made in the ordinary course of trade, based on matching characteristics. We calculated NV based on FOB mill/warehouse or delivered prices to unaffiliated customers, or prices to affiliated customers which were determined to be at arm's length (see discussion below regarding these sales). We made deductions, where appropriate, from the starting price for inland freight, pre-sale warehouse expense, discounts, and rebates. Additionally, we added late payment charges. In accordance with section 773(a)(6) of the Act, we deducted home market packing costs and added U.S. packing costs.

In accordance with section 773(a)(6)(C)(iii) of the Act, we adjusted for differences in the circumstances of sale. These circumstances included differences in imputed credit expenses. We also made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. We calculated POR-average variable and total COMs, by product, after indexing the reported monthly costs using the wholesale price index for Turkey. We then restated the average variable and

total COMs to the currency level of each respective month.

#### Arm's-Length Sales

We included in our analysis Borusan's home market sales to affiliated customers only where we determined that such sales were made at arm's-length prices, *i.e.*, at prices comparable to prices at which Borusan sold identical merchandise to unrelated customers. See section 773(a)(1)(B) of the Act. In order to determine the arm's-length nature of Borusan's home market sales to affiliated customers we compared the gross unit prices of sales to affiliated and unaffiliated customers net of all movement charges, direct and indirect selling expenses, and packing (see *Final Determination of Sales at Less Than Fair Value; Certain Cold-Rolled Carbon Steel Flat Products from Argentina*, 58 FR 37062, 37077 (July 9, 1993)).

#### Level of Trade

As set forth in section 773(a)(1)(B)(i) of the Act and in the Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, at 829-831 (see H.R. Doc. No. 316, 103d Cong., 2d Sess. 829-831 (1994)), to the extent practicable, the Department calculates NV based on sales at the same level of trade (LOT) as the U.S. sales (either EP or Constructed Export Price). When the Department is unable to find sale(s) in the comparison market at the same LOT as the U.S. sale(s), the Department may compare sales in the U.S. and foreign markets at different LOTs. The NV LOT is that of the starting-price sales in the home market. To determine whether home market sales are at a different LOT than U.S. sales, we examine 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 differences affect 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 Tariff Act. 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 implementing these principles in this review, we examined information from the respondent regarding the marketing stages involved in the reported home market and EP sales, including a description of the selling

activities performed by Borusan for each channel of distribution. Consistent with the prior review of this respondent (POR 96-97), we determined that with respect to Borusan's sales, there were two home market LOTs and one U.S. LOT (*i.e.*, the EP LOT). See *Final Results*, 63 FR 35190, 35193.

Where possible, we compared sales at the U.S. LOT to sales at the identical home market LOT. If no match was available at the same LOT, we compared sales at the U.S. LOT to sales at the second home market LOT.

To determine whether a LOT adjustment was warranted, we examined, on a monthly basis, the prices of comparable product categories, net of all adjustments, between sales at the two home market LOTs we had designated. We found a pattern of consistent price differences between sales at these LOTs.

In making the LOT adjustment, we calculated the difference in weighted-average prices between the two different home market LOTs. Where U.S. sales were compared to home market sales at a different LOT, we reduced the home market price by the amount of this calculated difference.

#### Currency Conversion

The Department's preferred source for daily exchange rates is the Federal Reserve Bank. However, the Federal Reserve Bank does not track or publish exchange rates for the Turkish lira. Therefore, we made currency conversions based on the daily exchange rates from the Dow Jones Business Information Services.

Section 773A(a) directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a "fluctuation." It is the Department's practice to find that a fluctuation exists when the daily exchange rate differs from a benchmark rate by 2.25 percent. The benchmark rate is defined as the rolling average of the rates for the past 40 business days. When we determine a fluctuation to have existed, we generally utilize the benchmark rate instead of the daily rate, in accordance with established practice.

When the rate of domestic price inflation is significant, as it is in this case, it is important that we use as a basis for NV home market prices that are as contemporaneous as possible with the date of the U.S. sale. This is to minimize the extent to which calculated dumping margins are overstated or understated due solely to price inflation that occurred in the intervening time period between the U.S. and the home market sales. For this reason, as

discussed above, we are comparing home market and U.S. sales in the same month. For the same reason, we have used the daily exchange rates for currency conversion purposes. *See, e.g., Certain Porcelain on Steel Cookware From Mexico: Final Results of Antidumping Duty Administrative Review*, 62 FR 42496, 42503 (August 7, 1997) and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Pasta From Turkey*, 61 FR 30309 (June 14, 1996).

#### Preliminary Results of Review

As a result of our review, we preliminarily determine that the following margins exist for the period May 1, 1998, through April 30, 1999:

| Manufacturer/exporter | Margin (percent) |
|-----------------------|------------------|
| Borusan .....         | 0.48             |

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding within five (5) days after the date of publication of this notice any calculations performed in connection with these preliminary results.

Any interested party may request a hearing within 10 days of the date of publication. Any hearing, if requested, will be held 44 days after the date of publication, or the first workday thereafter. Interested parties may submit case briefs within 30 days of the date of publication. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments.

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(1), we have calculated importer-specific assessment rates by dividing the dumping margin found on the subject merchandise examined by the entered value of such merchandise. Upon completion of this review, the Department will issue appraisal instructions directly to the U.S. Customs Service.

Furthermore, the following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of pipe and tube from Turkey entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 752(a)(2)(c) of the Act: (1) The cash deposit rate for Borusan will

be the rate established in the final results of this review, except if the rate is less than 0.5 percent and, therefore, *de minimis* within the meaning of section 733(b)(3) of the Act, the cash deposit will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 14.74 percent, the "all others" rate established in the LTFV investigation.

These cash deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)).

Dated: January 31, 2000.

**Holly A. Kuga,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-580-818]

#### Cold Rolled and Corrosion-Resistant Carbon Steel Plate From the Republic of Korea: Rescission of Countervailing Duty Administrative Review

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

**ACTION:** Notice of Rescission of Countervailing Duty Administrative Review.

**SUMMARY:** On September 24, 1999, in response to a request from petitioner and respondents, the Department of Commerce initiated an administrative review of the countervailing duty order on cold rolled and corrosion-resistant carbon steel plate from the Republic of Korea. The review covers the period January 1, 1998 through December 31, 1998. In accordance with 19 CFR 351.213(d)(1), the Department is now rescinding this review because the petitioner and respondents have withdrawn their requests for review.

**EFFECTIVE DATE:** February 8, 2000.

**FOR FURTHER INFORMATION CONTACT:** Eric B. Greynolds or Tipten Troidl, AD/CVD Enforcement, Group II, Office VI, Import Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482-2786.

**SUPPLEMENTARY INFORMATION:** On August 31, 1999, the Department received requests for an administrative review of the countervailing duty order on cold rolled and corrosion-resistant carbon steel plate from the Republic of Korea from Weirton Steel Corporation (petitioner) and Pohang Iron & Steel Co., Ltd., Dongbu Steel Co., Ltd., and Union Steel Manufacturing Co., Ltd. (respondents), for the period January 1, 1998 through December 31, 1998. On October 1, 1999, the Department published in the **Federal Register** (64 FR 53318) a notice of "Initiation of Countervailing Duty Administrative Review" initiating the administrative review. On January 4, 2000, petitioner withdrew its request for review. On January 6, 2000, respondents withdrew their request for review.

The applicable regulation, 19 CFR 351.213(d)(1), states that if a party that requested an administrative review withdraws the request within 90 days of the date of publication of the notice of initiation of the requested review, the Secretary will rescind the review. In this case, the parties to the proceeding did not withdraw their requests within the 90 day period. However, our regulations state that the Secretary may extend the time limit if the Secretary decides that it is reasonable to do so. Since both parties have requested to withdraw and because their requests were made shortly after the 90 day period, we find it reasonable to accept parties' withdrawals of their requests for review. No other interested party requested a review, and we have received no other submissions regarding parties' withdrawals of their requests for review. Therefore, we are rescinding this review of the countervailing duty order on cold