

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. In the event that the Department receives requests for hearings from parties to several cold-rolled cases, the Department may schedule a single hearing to encompass all those cases. 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 participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide 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 135 days after the date of publication of this preliminary determination.

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

Dated: December 28, 1999.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00-300 Filed 1-6-00; 8:45 am]

BILLING CODE 3510-DS-M

DEPARTMENT OF COMMERCE

International Trade Administration

[A-489-808]

Notice of Preliminary Determinations of Sales at Less Than Fair Value; Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from Turkey

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

EFFECTIVE DATE: January 7, 2000.

FOR FURTHER INFORMATION CONTACT:

Charles Ranado, Stephanie Arthur or Robert James at (202) 482-3518, (202) 482-6312 or (202) 482-5222, respectively; 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.

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 Tariff 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 1, 1999).

Preliminary Determinations

We preliminarily determine that cold-rolled flat-rolled carbon-quality steel products (cold-rolled steel products) from Turkey are being sold, or are 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 June 21, 1999, the Department initiated antidumping duty investigations of imports of cold-rolled steel products from Argentina, Brazil, the People's Republic of China, Indonesia, Japan, the Russian Federation, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela. See Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from Argentina, Brazil, the People's Republic of China, Indonesia, Japan, the Russian Federation, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela, 164 FR 34194 (June 25, 1999) (Initiation Notice). Since the initiation of the investigations, the following events have occurred:

The Department set aside a period for all interested parties to raise issues regarding product coverage. From July through October 1999, the Department received responses from a number of parties including importers, respondents, consumers, and petitioners¹, aimed at clarifying the scope of the investigation. See

¹ Petitioners in this case are Bethlehem Steel Corporation, Gulf States Steel, Inc., Ispat Inland Inc., LTV Steel Company Inc., National Steel Company, Steel Dynamics, Inc., U.S. Steel Group, a unit of USX Corporation, Weirton Steel Corporation, United Steelworkers of America, and Independent Steelworkers Union (collectively, petitioners).

Memorandum to Joseph A. Spetrini, November 1, 1999 (Scope Memorandum) for a list of all persons submitting comments and a discussion of all scope comments. There are several scope exclusion requests for products which are currently covered by the scope of this investigation that are still under consideration by the Department. These items are considered to be within the scope for this preliminary determination; however, these requests will be reconsidered for the final determination. See Scope Memorandum.

On June 22, 1999, the Department requested information from the U.S. Embassy in Turkey to identify producers/exporters of the subject merchandise. On June 21, 1999, the Department also requested comments from petitioners, two potential respondents, Eregli Demir ve Çelik Fabrikalari T.A.Ş. (Erdemir) and Borçelik Çelik Sanayii ve Ticaret A.Ş. (Borcelik), and the Embassy of Turkey in Washington regarding the criteria to be used for model matching purposes. On July 26, 1999, Borcelik submitted comments on our proposed model-matching criteria. Petitioners filed additional model match comments on June 28, 1999.

On July 16, 1999, the United States International Trade Commission (the Commission) notified the Department of its affirmative preliminary injury determination in this case.

The Department issued antidumping questionnaires to Erdemir and Borcelik on June 22, 1999 (Section A) and July 9, 1999 (Sections B through D). The questionnaire is divided into five parts; we requested that Erdemir and Borcelik respond to Section A (general information, corporate structure, sales practices, and merchandise produced), Section B (home market or third-country sales), Section C (U.S. sales), and Section D (cost of production/constructed value for high inflation economies). In addition, we required respondents to respond to additional questions based on our determination that the Turkish economy underwent high inflation during the POI.²

² Based on our analysis of Turkey's consumer price and wholesale price indices, we determined that the Turkish economy was experiencing high inflation during the POI (see 1999 issues of the International Monetary Fund's International Financial Statistics). "High inflation" is a term used to refer to a high rate of increase in price levels. Investigations and reviews involving exports from countries with highly inflationary economies require special methodologies for comparing prices and calculating CV and COP. Generally, a 25 percent inflation rate has been used as a guide for assessing the impact of inflation on AD

Continued

Respondents submitted their initial responses to Section A of the Department's questionnaire on July 13, 1999. We received Borcelik's sections B through D response on August 31, 1999. Erdemir submitted its response to sections B through D on September 3, 1999. Petitioners filed comments on respondents' questionnaire responses on July 27, 1999, and September 13, 1999. We issued the following supplemental questionnaires to respondents: (i) Section A on August 24, 1999, and (ii) sections B through D on September 16, 1999. Erdemir and Borcelik responded to our section A supplemental questionnaire on September 10, 1999. Erdemir responded to sections B through D of our supplemental questionnaire on October 7, 1999; Borcelik responded on October 14, 1999. Petitioners filed additional comments on respondents' supplemental responses between September 21 and October 22, 1999. On October 19, 1999, we issued a second supplemental to Erdemir providing it with an additional opportunity to submit appropriate information on product-specific costs. Erdemir responded to this request on November 3, 1999. Further, we issued a second supplemental to Borcelik on October 26, 1999, to which it responded on November 5, 1999.

Period of Investigation

The period of investigation (POI) is April 1, 1998 through March 31, 1999.

Scope of Investigations

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances, both in coils, 0.5 inch wide or wider, (whether or not in successively superimposed layers and/or otherwise coiled, such as spirally

oscillated coils), and also in straight lengths, which, if less than 4.75 mm in thickness having a width that is 0.5 inch or greater and that measures at least 10 times the thickness; or, if of a thickness of 4.75 mm or more, having a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been beveled or rounded at the edges.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free ("IF")) steels, high strength low alloy ("HSLA") steels, and motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of this investigation, regardless of definitions in the Harmonized Tariff Schedules of the United States ("HTSUS"), are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight, and; (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or
2.25 percent of silicon, or
1.00 percent of copper, or
0.50 percent of aluminum, or
1.25 percent of chromium, or
0.30 percent of cobalt, or
0.40 percent of lead, or

1.25 percent of nickel, or
0.30 percent of tungsten, or
0.10 percent of molybdenum, or
0.10 percent of niobium (also called columbium), or
0.15 percent of vanadium, or
0.15 percent of zirconium.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products, by way of example, are outside and/or specifically excluded from the scope of this investigation:

- SAE grades (formerly also called AISI grades) above 2300;
- Ball bearing steels, as defined in the HTSUS;
- Tool steels, as defined in the HTSUS;
- Silico-manganese steel, as defined in the HTSUS;
- Silicon-electrical steels, as defined in the HTSUS, that are grain-oriented;
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level exceeding 2.25 percent;
- All products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507);
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level less than 2.25 percent, and (a) fully-processed, with a core loss of less than 0.14 watts/pound per mil (.001 inches), or (b) semi-processed, with core loss of less than 0.085 watts/pound per mil (.001 inches);
- Certain shadow mask steel, which is aluminum killed cold-rolled steel coil that is open coil annealed, has an ultra-flat, isotropic surface, and which meets the following characteristics:

Thickness: 0.001 to 0.010 inches

Width: 15 to 32 inches

CHEMICAL COMPOSITION

Element	C
Weight %	<0.002%

- Certain flapper valve steel, which is hardened and tempered, surface polished, and which meets the following characteristics:

Thickness: ≤ 1.0 mm
Width: ≤ 152.4 mm

CHEMICAL COMPOSITION

Element	C	Si	Mn	P	S
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CHEMICAL COMPOSITION—Continued

Weight %	0.90–1.05	0.15–0.35	0.30–0.50	≤ 0.03	≤ 0.006
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MECHANICAL PROPERTIES

Tensile Strength	≥162 Kgf/mm ²
Hardness	≥ 475 Vickers hardness number

PHYSICAL PROPERTIES

Flatness	< 0.2% of nominal strip width
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Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite.

NON-METALLIC INCLUSION

	Area Percentage
Sulfide Inclusion	≤ 0.04%
Oxide Inclusion	≤ 0.05%

Compressive Stress: 10 to 40 Kgf/mm²

SURFACE ROUGHNESS

Thickness (mm)	Roughness (μm)
t ≤ 0.209	Rz ≤ 0.5
0.209 < t ≤ 0.310	Rz ≤ 0.6
0.310 < t ≤ 0.440	Rz ≤ 0.7
0.440 < t ≤ 0.560	Rz ≤ 0.8
0.560 < t	Rz ≤ 1.0

- Certain ultra thin gauge steel strip, which meets the following characteristics:

Thickness: ≤ 0.100 mm +/– 7%

Width: 100 to 600 mm

CHEMICAL COMPOSITION

Element	C	Mn	P	S	Al	Fe
Weight %	≤0.07	0.2–0.5	≤ 0.05	≤ 0.05	≤ 0.07	Balance

MECHANICAL PROPERTIES

Hardness	Full Hard (Hv 180 minimum)
Total Elongation	< 3%
Tensile Strength	600 to 850 N/mm ²

PHYSICAL PROPERTIES

Surface Finish	≤ 0.3 micron
Camber (in 2.0 m)	< 3.0 mm
Flatness (in 2.0 m)	≤ 0.5 mm
Edge Burr	< 0.01 mm greater than thickness
Coil Set (in 1.0 m)	< 75.0 mm

- Certain silicon steel, which meets the following characteristics:

Thickness: 0.024 inches +/– .0015 inches

Width: 33 to 45.5 inches

CHEMICAL COMPOSITION

Element	C	Mn	P	S	Si	Al
Min. Weight %					0.65	
Max. Weight %	0.004	0.4	0.09	0.009		0.4

MECHANICAL PROPERTIES

Hardness	B 60–75 (AIM 65)
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PHYSICAL PROPERTIES

Finish	Smooth (30–60 microinches).
Gamma Crown (in 5 inches)	0.0005 inches, start measuring 1/4 inch from slit edge
Flatness	20 I-UNIT max.
Coating	C3A–.08A max. (A2 coating acceptable)
Camber (in any 10 feet) 1/16 inch.	
Coil Size I.D.	20 inches

MAGNETIC PROPERTIES

Core Loss (1.5T/60 Hz)	3.8 Watts/Pound max.
NAAS	
Permeability (1.5T/60 Hz)	1700 gauss/oersted typical
NAAS	1500 minimum

Certain aperture mask steel, which has an ultra-flat surface flatness and which meets the following characteristics:

Thickness: 0.025 to 0.245 mm
Width: 381–1000 mm

CHEMICAL COMPOSITION

Element	C	N	Al
Weight %	< 0.01	0.004 to 0.007	< 0.007

- Certain tin mill black plate, annealed and temper-rolled, continuously cast, which meets the following characteristics:

CHEMICAL COMPOSITION

Element	C	Mn	P	S	Si	Al	As	Cu	B	N
Min. Weight %	0.02	0.20		0.023	0.03	0.08	0.03	0.08		0.003
Max. Weight %	0.06	0.40	0.02	(Aiming 0.018 Max.)		(Aiming 0.05)	0.02			0.008 (Aiming 0.005)

Non-metallic Inclusions: Examination with the S.E.M. shall not reveal individual oxides > 1 micron (0.000039 inches) and inclusion groups or clusters shall not exceed 5 microns (0.000197 inches) in length.

Surface Treatment as follows:

The surface finish shall be free of defects (digs, scratches, pits, gouges, slivers, etc.) and suitable for nickel plating.

SURFACE FINISH

	Roughness, RA Microinches (Micrometers)		
	Aim	Min.	Max.
Extra Bright	5 (0.1)	0 (0)	7 (0.2)

- Certain full hard tin mill black plate, continuously cast, which meets the following characteristics:

CHEMICAL COMPOSITION

Element	C	Mn	P	S	Si	Al	As	Cu	B	N
Min. Weight %	0.02	0.20		0.023	0.03	0.08		0.08		0.003
Max. Weight %	0.06	0.40	0.02	(Aiming 0.018 Max.)		(Aiming 0.05)	0.02			0.008 (Aiming 0.005).

Non-metallic Inclusions: Examination with the S.E.M. shall not reveal individual oxides > 1 micron (0.000039 inches) and inclusion groups or clusters shall not exceed 5 microns (0.000197 inches) in length.

Surface Treatment as follows:

The surface finish shall be free of defects (digs, scratches, pits, gouges, slivers, etc.) and suitable for nickel plating.

SURFACE FINISH

	Roughness, RA Microinches (Micrometers)		
	Aim	Min.	Max.
Stone Finish	16 (0.4)	8 (0.2)	24 (0.6)

- Certain “blued steel” coil (also know as “steamed blue steel” or “blue oxide”) with a thickness and size of 0.38 mm x 940 mm x coil, and with a bright finish;
- Certain cold-rolled steel sheet, which meets the following characteristics:
Thickness (nominal): ≤ 0.019 inches
Width: 35 to 60 inches

CHEMICAL COMPOSITION

Element	C	O	B
Max. Weight %	0.004	0.010	0.012
Min. Weight %			

- Certain band saw steel, which meets the following characteristics:
Thickness: ≤ 1.31 mm
Width: ≤ 80 mm

CHEMICAL COMPOSITION

Element	C	Si	Mn	P	S	Cr	Ni
Weight %	1.2 to 1.3	0.15 to 0.35	0.20 to 0.35	≤ 0.03	≤ 0.007	0.3 to 0.5	≤ 0.25

Other properties:

Carbide: fully spheroidized having > 80% of carbides, which are ≤ 0.003 mm and uniformly dispersed
Surface finish: bright finish free from pits, scratches, rust, cracks, or seams
Smooth edges
Edge camber (in each 300 mm of length): ≤ 7 mm arc height
Cross bow (per inch of width): 0.015 mm max.

The merchandise subject to this investigation is typically classified in the HTSUS at subheadings:

7209.15.0000, 7209.16.0030,
7209.16.0060, 7209.16.0090,
7209.17.0030, 7209.17.0060,
7209.17.0090, 7209.18.1530,
7209.18.1560, 7209.18.2550,
7209.18.6000, 7209.25.0000,
7209.26.0000, 7209.27.0000,
7209.28.0000, 7209.90.0000,
7210.70.3000, 7210.90.9000,
7211.23.1500, 7211.23.2000,
7211.23.3000, 7211.23.4500,
7211.23.6030, 7211.23.6060,
7211.23.6085, 7211.29.2030,
7211.29.2090, 7211.29.4500,
7211.29.6030, 7211.29.6080,
7211.90.0000, 7212.40.1000,
7212.40.5000, 7212.50.0000,
7225.19.0000, 7225.50.6000,
7225.50.7000, 7225.50.8010,
7225.50.8085, 7225.99.0090,
7226.19.1000, 7226.19.9000,
7226.92.5000, 7226.92.7050,
7226.92.8050, and 7226.99.0000.

Although the HTSUS subheadings are provided for convenience and U.S. Customs Service (“U.S. Customs”) purposes, the written description of the

merchandise under investigation is dispositive.

Facts Available

Section 776(a)(2) of the Tariff Act provides that “if an interested party or any other person (A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i), the administering authority and the Commission shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title.”

In this case Erdemir failed, in its original and supplemental responses, to provide unique product costs which account for the differences in physical characteristics as defined by the Department. Erdemir assigned the same costs to all products within a cold-rolled family group. That methodology does not provide product-specific cost of production (COP) information, nor does it provide the Department with information to calculate a difference in merchandise (DIFMER) adjustment to account for differences in physical characteristics when comparing sales of similar merchandise. Additionally, Erdemir created these cold-rolled families using its matching characteristics that, while based on the

company’s records, do not correspond to the characteristics identified by the Department. See “Product Comparison” section below. Without accurate data for these items, we cannot perform a reliable cost test; we cannot make appropriate selections of sales for price-to-price comparisons; nor can we determine accurate constructed values for use as normal value. We issued Erdemir several supplemental questionnaires requesting that it correct these errors, but it failed to do so. Accordingly, Erdemir’s failure to provide the requested data renders its response unusable for this preliminary determination. Therefore, in light of Erdemir’s failure to provide requested information necessary to calculate dumping margins in this case, in accordance with section 776(a) of the Tariff Act, we are forced to resort to total facts available for this preliminary determination.

Section 776(b) of the Tariff Act provides that, if the Department finds that an interested party “has failed to cooperate by not acting to the best of its ability to comply with a request for information,” the Department may use information that is adverse to the interests of the party as facts otherwise available. Adverse inferences are appropriate “to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.” See Statement of Administrative Action (SAA) accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Session at 870 (1994). Furthermore, “an affirmative finding of bad faith on the part of the

respondent is not required before the Department may make an adverse inference." Antidumping Duties; Countervailing Duties; Final Rule, 62 FR 27296, 27340 (May 19, 1997), (Final Rule).

In this case we have determined that Erdemir has not acted to the best of its ability in responding to the Department's request for product-specific cost information that takes into account physical differences in the products. In our supplemental questionnaires we repeatedly instructed Erdemir to rely not only on its existing financial and cost accounting records, but on any other information which would allow it to calculate a reasonable allocation of its costs. It is standard procedure for the Department to request product-specific cost data and we routinely receive such information from respondents, as we did from the other respondent, Borcelik, in this case. In the Department's experience companies have information which allows them to calculate a reasonable estimate of the costs to make a given product. Even if a company does not identify product-specific costs in its normal financial and cost accounting records, it should be able to make some reasonable allocation of its costs among distinct products through the use of other product and production information.

Under section 782(c) of the Tariff Act, a respondent has a responsibility not only to notify the Department if it is unable to provide requested information, but also to provide a "full explanation and suggested alternative forms." In response to our requests for product-specific cost data Erdemir only repeated the statement that its accounting records did not permit it to report product-specific costs. Cooperation in an antidumping investigation requires more than a simple statement that a respondent cannot provide certain information from its previously prepared accounting records; the burden to establish that it has acted to the best of its ability rests upon the respondent. As noted above, to meet that burden a respondent must explain what steps it has taken to comply with the information request, and propose alternative methodologies for getting the necessary information. See also *Allied-Signal Aerospace v. United States*, 996 F.2d 1185, 1192 (Fed. Cir. 1993). Erdemir has failed to do either. Moreover, we find that Erdemir's claim that it is unable to provide this information is inconsistent with Erdemir's other statements and information on the record of this case. For example, Erdemir closely tracks actual production for yield purposes

and for purposes of identifying particular coils for warehouse identification as is evidenced by the yield information maintained by the company and the identifying tags affixed to each finished product. Erdemir also has budgets, manufacturing standards, and engineering standards for specific products listed in the company's product brochure. Erdemir must develop production plans involving the identification of certain products as produced from certain raw materials on certain production lines using specific engineering standards. Further, to maintain ISO certification, Erdemir must maintain contemporaneous records of production and processes to insure the quality of the products it produces. While Erdemir's financial accounting records do not contain the information requested on separate product costs, the company could have developed a reasonable allocation methodology to allocate costs to products on a control number (CONNUM)-specific basis using the company's normal cost accounting records as a starting point to calculate CONNUM-specific costs. The Department repeatedly requested that Erdemir look beyond its financial and cost accounting records and select from a variety of available data using, for example, engineering standards, direct labor hours, machine hours, budgeting systems, production line reports, production time, or other production records for allocating costs to products on a CONNUM-specific basis.

Given Erdemir's repeated failure throughout the investigation to provide product-specific cost data that takes into account physical differences in the product or to provide any meaningful explanation of why such data could not be provided, we preliminarily determine that Erdemir did not cooperate to the best of its ability. Accordingly, we have used an adverse inference in selecting the facts available to determine Erdemir's margin.

In addition, Borcelik failed, in its original and supplemental response, to provide COP data for major inputs purchased from an affiliated party. Therefore, in accordance with section 776(a) of the Tariff Act, we have preliminarily determined to use facts available in computing the affiliate's COP for purposes of the major input rule. As facts available we used the cost of major inputs from the petition. See "Cost of Production" section below.

Section 776(c) of the Tariff Act provides that where the Department selects from among the facts otherwise available and relies on "secondary

information," such as the petition, the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The SAA states that "corroborate" means to determine that the information used has probative value. See SAA at 870. In this proceeding we considered the petition as the most appropriate information on the record to form the basis for a dumping calculation for Erdemir and for the cost of a major input for Borcelik. In accordance with section 776(c) of the Tariff Act, we sought to corroborate the data contained in the petition. We reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose (e.g., import statistics, cost data and foreign market research reports). See Initiation Notice at 34202. For purposes of the preliminary determination, we attempted to further corroborate the information in the petition. We re-examined the export price, home market price, and CV data provided for the margin calculations in the petition in light of information obtained during the investigation and, to the extent practicable, found that it has probative value (see Memorandum to the File, "Facts Available Rate and Corroboration of Secondary Information," dated December 8, 1999). As adverse facts available, we have preliminarily assigned Erdemir the rate of 32.91 percent, the highest calculated margin in the petition. This rate is subject to further comments by interested parties and therefore may be changed for the final determination.

Product Comparisons

We relied on fourteen criteria to match U.S. sales of subject merchandise to comparison-market sales of the foreign like product: hardening and tempering, paint, carbon level, quality, yield strength, minimum thickness, thickness tolerance, width, edge finish, form, temper rolling, leveling, annealing, and surface finish. A detailed description of the matching criteria, as well as our matching methodology is contained in the Borcelik's Preliminary Determination Memorandum, dated December 8, 1999 (Preliminary Determination Memorandum).

Fair Value Comparisons

To determine whether sales of cold-rolled steel products from Turkey were made in the United States at less than fair value, we compared the export price (EP) to the normal value (NV), as described in the "Export Price" and

"Normal Value" sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Tariff Act, we calculated weighted-average EPs for comparison to weighted-average NVs. Turkey experienced significant inflation during the POI, as measured by the Wholesale Price Index, published in the June 1999 issue of International Financial Statistics. Accordingly, to avoid distortions caused by the effects of significant inflation on prices, we calculated EPs and NVs on a monthly average basis, rather than on a POI average basis. We then compared weighted-average EPs to weighted-average NVs for the same month.

Transactions Investigated

For home market and U.S. sales Borcelik reported the date of invoice as the date of sale, in keeping with the Department's stated preference for using the invoice date as the date of sale. Borcelik stated that the invoice date best reflects the date on which the material terms of sale are established and that price or quantity or both can change between contract date and invoice date. However, petitioners have alleged that the sales documentation indicates that the contract date appears to be the date when the material terms of sale are set for all of Borcelik's sales of cold-rolled steel. Given the nature of marketing these types of made-to-order products, the Department requested that Borcelik provide additional information concerning the nature and frequency of price and quantity changes occurring between the contract date and date of invoice. We also requested that Borcelik report change order date for all home market and United States sales and to ensure that all sales with change order or invoice dates within the POI are reported.

Borcelik claims that invoice date is the appropriate date of sale for both U.S. and home market sales, stating that this is the first date in which terms of sale are set. However, petitioners believe that all terms of sale are determined at the time of the sales contract and therefore claim that this date is the more appropriate date to use. Because there is evidence on the record suggesting that the terms of sale may change between the contract date and the issuance of the invoice, the Department is preliminarily using the invoice date as the date of sale for both home market and U.S. sales. We intend to fully examine this issue at verification, and we will incorporate our findings, as appropriate, in our analysis for the final determination. If we determine that change order is the appropriate date of sale, we may resort to facts available for the final

determination to the extent that this information has not been reported.

Level of Trade

In accordance with section 773(a)(1)(B)(i) of the Tariff 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 CEP transaction. The NV LOT is that of the starting price sales in the comparison market or, when NV is based on CV, that of the sales from which we derive selling, general and administrative (SG&A) expenses and profit. For EP the US LOT is also the level of the starting price sale, which is usually from the exporter to the importer. 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 LOT than EP or CEP 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 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 a LOT adjustment under section 773(a)(7)(A) of the Tariff 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 differences in the levels between NV and CEP affects price comparability, we adjust NV under section 773(A)(7)(B) of the Tariff Act (the CEP offset provision). (See, e.g., *Certain Carbon Steel Plate from South Africa*, Final Determination of Sales at Less Than Fair Value, 62 FR 61731 (November 19, 1997)).

In implementing these principles in this investigation, we obtained information from Borcelik about the marketing stages involved in its reported U.S. and home market sales, including a description of the selling activities performed by Borcelik for each channel of distribution. In identifying levels of trade for EP and home market sales we considered the selling functions reflected in the starting price before any adjustments.

Borcelik reported numerous customer categories and one channel of distribution (i.e., sales to affiliated and unaffiliated end-users) for its home market sales. Borcelik only reported EP sales in the U.S. market. For EP sales Borcelik reported one customer category (i.e., trading companies) and one channel of distribution (i.e., sales

through Boruan Dagitim to trading companies). Borcelik did not claim that its sales to home market customers are at a different LOT than its sales to U.S. customers and, therefore, did not claim a LOT adjustment.

In determining whether separate LOTs actually existed in the home market, we examined whether Borcelik's sales involved different marketing stages (or their equivalent) based on the channel of distribution, customer categories and selling functions. As noted above, Borcelik's sales to its unaffiliated and affiliated customers were made through the same channel of distribution, albeit to different categories of customer, with no differences in selling functions. Based on these factors we find that Borcelik's home market sales comprise a single LOT.

In comparing the LOT of Borcelik's EP sales with that of its home market sales, we noted that its EP sales generally involved the same selling functions associated with the home market LOT described above. Therefore, based upon this information, we have preliminarily determined that the LOT for all EP sales is the same as that in the home market. Accordingly, because we find the U.S. sales and home market sales to be at the same LOT, no LOT adjustment under section 773(a)(7)(A) of the Tariff Act is warranted.

For a detailed level-of-trade analysis with respect to Borcelik, see Preliminary Determination Analysis Memorandum, dated December 8, 1999.

Export Price

We calculated EP in accordance with section 772(a) of the Tariff Act because the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation and CEP methodology was not otherwise warranted, based on the facts of record. We based EP on the packed FOB (or for certain Borcelik sales, C&F) price to unaffiliated purchasers in the United States. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Tariff Act; these included, where appropriate, foreign inland freight, foreign brokerage and handling charges, and international freight. We also increased the starting price by the amount of duty drawback because the company satisfied our two-pronged test.³

³ Section 772(c)(1)(B) of the Tariff Act provides for an upward adjustment to U.S. price for duty drawback on import duties which have been rebated (or which have not been collected) by reason of the exportation of the subject merchandise to the United States. The Department applies a two-

Affiliated-Party Transactions and Arm's-Length Test

Borcelik's sales to affiliated customers in the home market not made at arm's-length prices (if any) were excluded from our analysis because we considered them to be outside the ordinary course of trade. See 19 CFR 351.102. To test whether these sales were made at arm's-length prices, we compared on a model-specific basis the starting prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, and packing. Where, for the tested models of subject merchandise, prices to the affiliated party were on average 99.5 percent or more of the price to the unaffiliated parties, we determined that sales made to the affiliated party were at arm's length. See 19 CFR 351.403(c). In instances where no price ratio could be calculated for an affiliated customer because identical merchandise was not sold to unaffiliated customers, we were unable to determine that these sales were made at arm's-length prices and, therefore, excluded them from our LTFV analysis. 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) and Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination; Emulsion Styrene-Butadiene Rubber from Brazil, 63 FR 59509, 59512 (November 4, 1998).⁴ Where the exclusion of such sales eliminated all sales of the most appropriate comparison product, we made a comparison to the next most similar model.

pronged test to determine whether a respondent has fulfilled the statutory requirements for a duty drawback adjustment. See Steel Wire Rope from the Republic of Korea; Final Results of Antidumping Duty Administrative Review, 61 FR 55965, 55968 (October 30, 1996). In accordance with this test, the Department grants a duty drawback adjustment if it finds that: (1) import duties and rebates are directly linked to and are dependent upon one another, and (2) the company claiming the adjustment can demonstrate that there are sufficient imports of raw materials to account for the duty drawback received on exports of the manufactured products.

⁴ As stated in 19 CFR 351.403(d), "the Secretary normally will not calculate normal value based on a sale by an affiliated party if sales of the foreign like product by an exporter or producer to affiliated parties account for less than five percent of the total value." We examined Borcelik's affiliated party sales and determined that they represented less than five percent of its total sales of subject merchandise. Therefore, we did not request that Borcelik report sales by its affiliates (i.e., downstream sales). See Borcelik Analysis Memorandum, December 8, 1999.

Normal Value

Home Market Viability

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 (i.e., the aggregate volume of home market sales of the foreign like product was equal to or greater than five percent of the aggregate volume of U.S. sales), we compared Borcelik'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 Tariff Act. As Borcelik'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. Therefore, we have based NV on home market sales in the usual commercial quantities and in the ordinary course of trade.

Cost of Production Analysis

Based on allegations contained in the petition, and in accordance with section 773(b)(2)(A)(i) of the Tariff Act, we found reasonable grounds to believe or suspect that sales of cold-rolled steel products produced in Turkey were made at prices below the COP. As a result, the Department has initiated investigations to determine whether Borcelik made home market sales during the POI at prices below its respective COP, within the meaning of section 773(b) of the Tariff Act. We conducted the COP analysis described below (see Initiation Notice).

A. Calculation of COP

In accordance with section 773(b)(3) of the Tariff Act, we calculated COP based on the sum of Borcelik's cost of materials and fabrication for the foreign like product, plus an amount for home market selling, general and administrative, interest expenses, and packing costs. As noted above, we determined that the Turkish economy experienced significant inflation during the POI. Therefore, in order to avoid the distortive effect of inflation on our comparison of costs and prices, we computed indexed monthly costs based on the weighted average of all monthly costs as indexed for inflation over the POI (see, e.g., Certain Steel Concrete Reinforcing Bar from Turkey, 64 FR 49150, 49153 (September 10, 1999)).

We used the information from Borcelik's Section D questionnaire responses to calculate COP. We used Borcelik's monthly COP amounts, adjusted as discussed below, and the Wholesale Price Index from the IMF's

International Financial Statistics to compute monthly weighted-average COPs for the POI. We made the following adjustments to Borcelik's reported costs:

1. Pursuant to section 773(f)(3) of the Tariff Act and section 351.407 of the Department's regulations, we reviewed affiliated-party transactions and where appropriate used the higher of transfer price, COP or market price for all major inputs from affiliated parties. Because the affiliate's COP was not provided by Borcelik, we used as facts available the costs provided for manufacturing hot rolled coil as contained in the original petition dated June 2, 1999.

2. Pursuant to section 773(f)(2) of the Tariff Act, we reviewed affiliated transactions and, where appropriate, used the transfer or market price for minor inputs of raw materials purchased from affiliated parties.

3. We adjusted the general and administrative (G&A) expense rate to exclude shipping rebates related to exports of finished goods and to include bonuses for management personnel.

4. We recalculated Borcelik's cost of production to include foreign exchange losses on imported coils.

See Preliminary Determination Cost Calculation Memorandum for Borcelik, dated December 28, 1999.

B. Test of Home-Market Sales Prices

We compared the adjusted weighted-average COP for Borcelik to the home market sales of the foreign like product, as required under section 773(b) of the Tariff Act, in order to determine whether these sales had been made at prices below the COP within an extended period of time (i.e., a period of one year) in substantial quantities and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. In accordance with section 773(b)(2)(C)(i) of the Tariff Act, we determined that sales made below the COP were made in substantial quantities if the volume of such sales represented 20 percent or more of the volume of sales under consideration for the determination of normal value.

On a model-specific basis, we compared the revised COP to the home market prices, less any applicable movement charges and other direct and indirect selling expenses.

C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Tariff Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined

that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the POI were at prices less than the COP, we determined such sales to have been made in "substantial quantities" within an extended period of time in accordance with section 773(b)(2)(B) or the Tariff Act. In such cases, because we compared prices to (indexed) POI-average costs, 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 Tariff Act. Therefore, we disregarded the below-cost sales.

We found that for certain models of cold-rolled steel products, more than 20 percent of the home-market sales by Borcelik were made within an extended period of time at prices less than the COP. Further, the prices did not provide for the recovery of costs within a reasonable period of time. We therefore disregarded these below-cost sales and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Tariff Act. For those U.S. sales of cold-rolled steel products for which there were no comparable home-market sales in the ordinary course of trade, we compared EP to CV in accordance with section 773(a)(4) of the Tariff Act. See Price-to-CV Comparisons, below.

D. Calculation of Constructed Value

In accordance with section 773(e)(1) of the Tariff Act, we calculated CV based on the sum of Borcelik's cost of materials, fabrication, SG&A, interest, and U.S. packing costs. We made adjustments similar to those described above for COP. In accordance with sections 773(e)(2)(A) of the Tariff 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. For selling expenses we used the weighted-average home market selling expenses.

Price-to-Price Comparisons

We calculated NV based on the FOB or delivered prices to unaffiliated customers. We made deductions, where appropriate, from the starting price for billing adjustments, inland freight, inland insurance. We made adjustments for differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Tariff Act. In addition, we made adjustments under section 773(a)(6)(C)(iii) of the Tariff Act for

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

Price-to-CV Comparisons

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

Currency Conversions

Because this proceeding involves a high-inflation economy, we limited our comparison of U.S. and home market sales to those occurring in the same month (as described above) and only used daily exchange rates. See Certain Porcelain on Steel Cookware from Mexico: Final Results of Antidumping Duty Administrative Review, 62 FR 42496, 42503-03 (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).

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 Service, as published in the Wall Street Journal.

Verification

In accordance with section 782(i) of the Tariff Act, we intend to verify all information relied upon in making our final determinations.

Suspensions of Liquidation

In accordance with section 733(d) of the Tariff Act, we are directing the Customs Service to suspend liquidation of all entries of cold-rolled steel products from Turkey 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 EP, 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
Erdemir	32.91
Borcelik	8.81
All others	8.81

ITC Notification

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

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 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 the date of publication of this 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 Tariff 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, any 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, NW, Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. We intend to make our final determination no later than 75

days after the date of this preliminary determination.

This determination is published pursuant to sections 733(d) and 777(i)(1) of the Tariff Act.

Dated: December 28, 1999.

Holly Kuga,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00-301 Filed 1-6-00; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-806, A-484,801]

Electrolytic Manganese Dioxide from Japan and Greece: Notice of Extension of Time Limits for Preliminary Results of Antidumping Administrative Reviews

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

ACTION: Notice of Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Reviews.

SUMMARY: The Department of Commerce is extending the time limit for the preliminary results of the antidumping duty administrative reviews of the antidumping duty orders on electrolytic manganese dioxide from Japan and Greece. The period of review is April 1, 1998, through March 31, 1999.

EFFECTIVE DATE: January 7, 2000.

FOR FURTHER INFORMATION CONTACT: Larry Tabash or Richard Rimlinger, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-5047 or (202) 482-4477, respectively.

The Applicable Statute

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, as amended (the Act), by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to 19 CFR Part 351 (1998).

Extension of Time Limits for Preliminary Results

The Department has received a request to conduct administrative

reviews of the antidumping duty orders on electrolytic manganese dioxide from Japan and Greece. On May 20, 1999, and June 30, 1999, the Department initiated these administrative reviews covering the period April 1, 1998, through March 31, 1999 (64 FR 28973 and 64 FR 35124 respectively).

Because it is not practicable to complete these reviews within the time limit mandated by section 751(a)(3)(A) of the Act (*see* Memoranda from Richard W. Moreland to Robert S. LaRussa, Extension of Time Limit for Administrative Reviews of Electrolytic Manganese Dioxide from Japan and Greece, December 21, 1999), the Department is extending the time limits for the preliminary results to February 14, 2000. The Department intends to issue the final results of reviews 120 days after the publication of the preliminary results. This extension of the time limit is in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2).

Dated: December 28, 1999.

Louis I. Apple,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 00-396 Filed 1-6-00; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-506]

Porcelain-on-Steel Cooking Ware From the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results of antidumping duty administrative review.

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on Porcelain-on-Steel ("POS") Cooking Ware from the People's Republic of China ("PRC") in response to a request by the petitioner. The review covers one manufacturer/exporter of the subject merchandise, Clover Enamelware Enterprise, Ltd. of China ("Clover"), and its Hong Kong reseller, Lucky Enamelware Factory Ltd. ("Lucky"). The period of review ("POR") is December 1, 1997 through November 30, 1998.

We have preliminarily determined that U.S. sales of subject merchandise

by Clover and Lucky have not been made below normal value (hereinafter referred to as Clover/Lucky). Since Clover/Lucky submitted full responses to the antidumping questionnaire and it has been established that it is sufficiently independent, it is entitled to a separate rate. If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Customs Service to assess no antidumping duties on entries from Clover/Lucky during the POR.

Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: January 7, 2000.

FOR FURTHER INFORMATION CONTACT: Russell Morris, Office of AD/CVD Enforcement VI, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue N.W., Washington D.C. 20230; telephone: (202) 482-1775.

SUPPLEMENTARY INFORMATION:

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's regulations are to the regulations at 19 CFR Part 351 (1999).

Background

On December 2, 1986, the Department published in the **Federal Register** the antidumping duty order on POS cooking ware from the PRC (51 FR 43414). On December 8, 1998, the Department published in the **Federal Register** a notice of opportunity to request an administrative review of this antidumping duty order (63 FR 67646). On December 30, 1998, in accordance with 19 CFR 351.213(b), the petitioner, Columbian Home Products, LLC, requested that the Department conduct an administrative review of Clover, a manufacturer/exporter, and its Hong Kong reseller Lucky. On January 25, 1999, we published the notice of initiation of this review covering the period December 1, 1997 through November 30, 1998 (64 FR 3682).

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for issuing a preliminary determination in an administrative review if it determines that it is not practicable to complete the preliminary review within the statutory time limit of 245 days. On August 25, 1999, the