

**ACTION:** Notice of finding of no significant impact.

**SUMMARY:** Notice is hereby given that the Rural Utilities Service (RUS), pursuant to the National Environmental Policy Act of 1969, as amended, the Council on Environmental Quality Regulations (40 CFR Parts 1500–1508), and RUS Environmental Policies and Procedures (7 CFR Part 1794), has made a Finding of No Significant Impact (FONSI) with respect to a project proposed by Kodiak Electric Association, Inc. (KEA), of Kodiak, Alaska. The proposed project consists of constructing a 5.0 to 7.5 megawatt (MW) combustion turbine cogeneration power plant, a substation, a fuel storage tank, and an approximately four mile-long 69 kV transmission line. The purpose of the project is to increase KEA's generation capacity to meet future power demand, to produce steam for the U.S. Coast Guard for space heating, and to increase reliability of electric power service to KEA customers including the U.S. Coast Guard. The need for this project was established in KEA's 1994 Power Requirements Study, 1994 Power Generation Study, and 1996 Power Generation Study Supplement.

RUS has concluded that the impacts from the proposed project would not be significant and that the proposed action is not a major federal action significantly affecting the quality of the human environment. Therefore, the preparation of an environmental impact statement is not necessary.

**FOR FURTHER INFORMATION CONTACT:** Nurul Islam, Environmental Protection Specialist, Engineering and Environmental Staff, Rural Utilities Service, 1400 Independence Avenue, SW, Stop 1571, Washington, DC 20250–1571, telephone (202) 720–1784, e-mail: nislam@rus.usda.gov.

**SUPPLEMENTARY INFORMATION:** RUS, in accordance with its environmental policies and procedures, required that KEA prepare a Borrower's Environmental Report (BER) reflecting the potential impacts of the proposed facilities. The BER, which includes input from federal, state, and local agencies, has been reviewed and adopted as RUS's Environmental Assessment for the project in accordance with 7 CFR 1794.61. RUS has concluded that the BER represents an accurate assessment of the environmental impacts of the project. Based on coordination with appropriate federal and state agencies, potential impacts to water quality, air quality, wetlands, federally listed threatened or endangered species, cultural resources, noise levels, and visibility can either be

avoided through project design or mitigated to less than significant levels. The project should have no impact on floodplains, important farmland, prime forest land, or formally classified areas and would be consistent with the policies of the Alaska Coastal Management Program.

Alternatives to the project as proposed were considered, including alternative power generation sites, alternative transmission line routes, alternative fuel delivery and storage facilities, various alternative energy sources, power demand and load management alternatives, and the no-action alternative. RUS has considered these alternatives and has concluded that the project, as proposed, will allow KEA to provide adequate and reliable electric service to its customers on Kodiak Island, including the U.S. Coast Guard, with minimum adverse impacts.

Copies of the BER and FONSI are available for review at RUS at the aforementioned address or may be reviewed at or obtained from the offices of KEA, P.O. Box 787, Kodiak, Alaska, 99615, Telephone (907) 486–7700. Copies are also available for public review at the Kodiak City Library and the U.S. Coast Guard Integrated Support Command Administration Building, Second Deck.

Dated: December 2, 1997.

**Adam M. Golodner,**  
Deputy Administrator, Program Operations.  
[FR Doc. 97–32030 Filed 12–5–97; 8:45 am]  
BILLING CODE 3410–15–P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A–580–809]

#### **Circular Welded Non-Alloy Steel Pipe From the Republic of Korea; Preliminary Results of Antidumping Administrative Review**

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

**ACTION:** Notice of preliminary results of antidumping duty administrative review of circular welded non-alloy steel pipe from the Republic of Korea.

**SUMMARY:** The Department of Commerce is conducting an administrative review of the antidumping duty order on circular welded non-alloy steel pipe from the Republic of Korea. The period of review is November 1, 1995 through October 31, 1996. This review covers imports of pipe from four producers/exporters.

We have preliminarily found that sales of subject merchandise have been made below normal value. If these preliminary results are adopted in our final results, we will instruct the Customs Service to assess antidumping duties based on the difference between the U.S. price and normal value.

Interested parties are invited to comment on these preliminary results. We will issue the final results not later than 120 days from the date of publication of this notice.

**EFFECTIVE DATE:** December 8, 1997.

**FOR FURTHER INFORMATION CONTACT:** Cynthia Thirumalai, Marian Wells, or Rosa Jeong, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–4087, 482–6309, and 482–1278 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 the Department of Commerce's (the Department's) regulations refer to the regulations, codified at 19 CFR part 353, April 1997.

### **Background**

Since the publication of *Notice of Extension of Time Limit for Preliminary Results, Partial Termination of Antidumping Duty Administrative Review and Initiation of Changed Circumstances Review*, on July 15, 1997 (62 FR 37865), the following has occurred.

On July 25, 1997, the Department issued a supplemental questionnaire to Korea Iron and Steel Co., Ltd. (KISCO) and Union Steel Manufacturing Co., Ltd. (Union) asking about issues of affiliation. The companies responded to the affiliation questions on August 6, 1997. We notified Union and KISCO in an October 22, 1997, letter that their responses should be consolidated into one response (see "Collapsing Union and KISCO" in this notice). The Department received a consolidated response from these companies on November 17, 1997.

On October 30, 1997, we requested respondents to resubmit their data using purchase order/contract date, as opposed to invoice date, as date of sale for U.S. transactions. We received partially updated sales databases with

the new date of sale from SeAH Steel Corporation (SeAH) and Shinho Steel Co., Ltd. (Shinho) on November 17, 1997. (In the case of Hyundai Pipe Co. Ltd. (Hyundai), this information had been previously requested and supplied to the Department.) Union/KISCO's collapsed submission received on November 17, 1997 did not include the change in the date of sale.

Supplemental questionnaires were sent to respondents in November 1997. Responses to our supplemental questionnaires regarding level of trade (LOT) were received by November 13, 1997. Additional supplemental questionnaires responses from all respondents are due December 3, 1997.

We intend to issue the final results of this review not later than 120 days after publication of these preliminary results.

### Scope of Review

The merchandise subject to this review is circular welded non-alloy steel pipe and tube, of circular cross-section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and as support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and other related industries. Unfinished conduit pipe is also included in this order.

All carbon-steel pipes and tubes within the physical description outlined above are included within the scope of this review except line pipe, oil-country tubular goods, boiler tubing, mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. In accordance with the Department's *Final Negative Determination of Scope Inquiry on Certain Circular Welded Non-Alloy Steel Pipe and Tube from Brazil, the Republic of Korea, Mexico, and Venezuela* (61 FR 11608, March 21, 1996), pipe certified to the API 5L line-pipe specification and pipe certified to both the API 5L line-pipe specifications and the less-stringent ASTM A-53 standard-pipe specifications, which falls within the physical parameters as

outlined above, and entered as line pipe of a kind used for oil and gas pipelines is outside of the scope of the antidumping duty order.

Imports of these products are currently classifiable under the following Harmonized Tariff Schedule (HTS) 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 HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

### Collapsing KISCO and Union

On May 22 and June 30, 1997, the petitioners, Allied Tube and Conduit Corporation, Sawhill Tubular Division-Armco, Inc. and Wheatland Tube Company, argued that because of the strong possibility of manipulation of prices and production, the Department should treat Union and KISCO as a single, collapsed entity and calculate a single combined antidumping duty rate for both companies. In determining whether companies should be collapsed, the Department makes three inquiries. First, the Department examines whether the companies in question are "affiliated" within the meaning of section 771(33) of the Act. Second, the Department examines whether the companies in question have similar production facilities, such that retooling would not be required to shift production from one company to another. Third, the Department examines whether there exists other evidence indicating a significant potential for the manipulation of prices or production. The types of factors the Department considers in determining whether there is a significant potential for the manipulation of prices or production include: (1) The level of common ownership; (2) the existence of interlocking officers or directors (e.g., whether managerial employees or board members of one company sit on the board of directors of the other affiliated parties); and (3) the existence of intertwined operations. See *Certain Cold-Rolled Carbon Steel Flat Products from Korea*, 60 FR 65284 (December 19, 1995) (Korean Steel).

In the first administrative review of this order, the petitioners also argued that Union and KISCO should be collapsed, and the Department agreed. See *Final Results of Antidumping Duty Administrative Review and Partial Termination of Administrative Review: Circular Welded Non-Alloy Steel Pipe From the Republic of Korea*, 62 FR 55574 (October 27, 1997) (*Pipe First Review*). In the present proceeding, we

again closely analyzed the relevant factors in light of the information on record of the present review. We determined that the factors that led to the collapsing decision in the first review continue to exist in the present review. Therefore, we have collapsed Union and KISCO and calculated a single antidumping duty rate for the collapsed entity.

### Date of Sale

When determining which sales fall within the period of review (POR), respondents used either invoice date, tax invoice date, or shipment date (collectively referred to hereafter as "invoice date") as the date of sale. Most respondents claimed that the invoice date is what is maintained in their corporate records and that use of invoice date is in accordance with the Department's stated practice (see Memorandum from Susan G. Esserman "Date of Sale Methodology Under New Regulations," March 29, 1996).

Based on our review of the responses, we determined invoice date should not be used as the date of sale for U.S. transactions. (For home market transactions, we find that invoice date reasonably approximates the date on which the material terms of sale are made and have used this as our date of sale.) While each company has a slightly different U.S. sales process, consistent throughout the responses is the notion that price and quantity are established, then the factory produces the subject merchandise, and finally, after a significant period of time, the product is shipped and an invoice is issued. Based on this understanding of the companies' U.S. sales process, we instructed respondents to report as the date of sale the date that will reasonably approximate the time at which the material terms of sale are set (see, Memorandum for Richard W. Moreland, dated October 30, 1997).

The above-mentioned change in the U.S. date of sale necessitated changes to the U.S. sales listings of respondents to correct the date of sale. As a consequence of the change in the U.S. date of sale, home market sales listings also have to be revised to include sales of identical and similar merchandise that are contemporaneous with U.S. sales. Due to the late date on which we informed respondents of the need to change the U.S. date of sale, all respondents were not able to modify fully their U.S. and home market sales listings in time for these preliminary results of review. Therefore, we have used the most current sales listings available to the Department. Hyundai, SeAH, and Shinho partially revised

their U.S. sales listings by changing the date of sale for previously reported transactions. Union/KISCO was unable to provide a collapsed sales listing reflecting the change in the U.S. date of sale in time for these preliminary results. As a result, we are using invoice date as the date of Union/KISCO's U.S. sales. Furthermore, for all respondents, we have made comparisons to constructed value (CV) for U.S. sales that do not have contemporaneous home market sales matches.

### Resales of Subject Merchandise

Some companies purchase subject merchandise from unaffiliated manufacturers and then further manufacture it into products also within the scope of this review. For purposes of these preliminary results, we have included sales of all such further-manufactured subject merchandise in our analysis.

#### SeAH

During the POR, SeAH purchased a small quantity of subject merchandise from an unaffiliated producer, and subsequently resold the merchandise in the United States. According to SeAH, the unaffiliated producer was aware of the ultimate destination of the merchandise at the time of sale to SeAH (see SeAH response of March 24, 1997, p. 33).

In their June 24, 1997 submission, petitioners argue that products purchased from the unaffiliated producer and resold by SeAH should be included in SeAH's U.S. and home market sales listings. To support this argument, petitioners cite to *Gray Portland Cement and Clinker from Japan*, 61 FR 67308 (December 20, 1997) (*Cement and Clinker*).

Regarding U.S. sales, the Department examines the first party in the distribution chain selling with the knowledge that the merchandise is destined for the U.S. See 19 CFR 353.41(b), *Certain Pasta from Italy: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postpone of Final Determination*, 60 FR 1344, 1348-1349 (January 19, 1996) (Pasta from Italy). In SeAH's case, the unaffiliated producer knew at the time of the sale to SeAH that the merchandise was destined for the United States. Therefore, the appropriate export price for that merchandise would be the price between the unaffiliated producer and SeAH (see *Pasta from Italy*). Moreover, the unaffiliated producer would be the appropriate party to be reviewed with respect to these resales.

The case cited by petitioners dealt with home market sales. Contrary to petitioners' assertions, the Department excluded all resales of merchandise purchased from an unaffiliated producer from its foreign market value (FMV) calculation in *Cement and Clinker* to the extent that they were separately identifiable. It was only in those cases where resales were inextricably commingled with the respondent's own product sales and where the inclusion of these resales did not distort the FMV calculation that the Department allowed them to be included among the respondent's home market sales. Therefore, this precedent does not provide a basis for including resales of this merchandise in the home market in our calculation of normal value (NV). Consequently, products purchased from this unaffiliated producer and resold into the U.S. market have not been included among SeAH's U.S. or home market sales listings.

### Product Comparisons

We calculated monthly, weighted-average, NVs. Where possible, we compared U.S. sales to sales of identical merchandise in Korea. When identical merchandise was not sold during the relevant contemporaneous period, we compared U.S. sales to sales of the most similar foreign like product (see section 771(16)(B) and (C) of the Act).

### Export Price and Constructed Export Price

For sales to the United States, we used export price (EP) or constructed export price (CEP) as defined in sections 772(a) and 772(b) of the Act, as appropriate.

In accordance with sections 772(a) and (c) of the Act, we calculated an EP where the merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation, and CEP was not otherwise warranted based on the facts of record. In accordance with sections 772(b), (c) and (d) of the Act, we calculated a CEP for sales made by affiliated U.S. resellers that took place after importation into the United States. EP and CEP were based on the packed C&F, delivered, CIF duty paid, or ex-dock duty paid price to unaffiliated purchasers in, or for exportation to, the United States. As appropriate, we made deductions for discounts and rebates, including early payment discounts. We added to U.S. price amounts for duty drawback, pursuant to section 772 (c)(1)(B) of the Act, to the extent that such rebates were not excessive (see *Pipe First Review*). We also made deductions for movement expenses in accordance with section

772(c)(2)(A) of the Act; these included foreign inland freight, foreign brokerage and handling, ocean freight, marine insurance, U.S. customs brokerage, U.S. customs duties, harbor maintenance fees, merchandise processing fees, and U.S. inland freight expenses (freight from port to warehouse and freight from warehouse to the customer).

In accordance with section 772(d)(1) of the Act, we deducted from CEP those selling expenses associated with economic activities occurring in the United States, including commissions, direct selling expenses (credit costs, introduction allowances, and warranty expenses), inventory carrying costs, and indirect selling expenses, where applicable. Credit expenses were offset by interest revenues, where applicable. We also deducted from CEP an amount for profit in accordance with section 772(d)(3) of the Act.

### Normal Value

We compared the aggregate quantity of home market and U.S. sales and determined that the quantity of each company's sales in its home market was more than five percent of the quantity of its sales to the U.S. market. Consequently, pursuant to section 773(a)(1)(B) of the Act, we based NV on home market sales.

Certain respondents reported sales in the home market of "overrun" merchandise (i.e., sales of a greater quantity of pipe than the customer ordered due to overproduction). Respondents claimed that we should disregard "overrun" sales in the home market as outside the ordinary course of trade.

Section 773(a)(1)(B) of the Act provides that normal value shall be based on the price at which the foreign like product is sold in the usual commercial quantities and in the ordinary course of trade. Ordinary course of trade is defined in section 771(15) of the Act. We analyzed the following criteria to determine whether "overrun" sales differ from other sales of commercial pipe: (1) ratio of overrun sales to total home market sales; (2) number of overrun customers compared to total number of home market customers; (3) average price of an overrun sale compared to average price of a commercial sale; (4) profitability of overrun sales compared to profitability of commercial sales; and (5) average quantity of an overrun sale compared to the average quantity of a commercial sale. Based on our analysis of these criteria and on an analysis of the terms of sale, we found certain overrun sales to be outside the ordinary course of trade. This analysis is consistent with

the analysis sustained by the Court of International Trade in *Laclede Steel Co. v. United States*, Slip. Op. 94-114 (1995).

Hyundai and SeAH had sales in the home market to affiliated customers. To test whether these sales were made at arm's length, we compared the starting prices of sales to affiliated and unaffiliated customers, net of all movement charges, direct and indirect selling expenses, discounts and packing. Where the price to the affiliated party was on average 99.5 percent or more of the price to the unaffiliated parties, we determined that the sales made to the affiliated party were at arm's length and included those sales in our calculation of NV pursuant to 19 CFR 353.45(a).

We made adjustments for differences in packing in accordance with section 773(a)(6)(A) and B(i) of the Act. We also made adjustments for movement expenses, consistent with section 773(a)(6)(B) of the Act, for inland freight. In addition, we made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act, as well as for differences in circumstances of sale (COS) in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. For comparisons to EP, we made COS adjustments by deducting direct selling expenses incurred on home market sales (credit expenses as offset by interest revenue) and adding U.S. direct selling expenses (credit costs, introduction allowances, and warranty expenses). For comparisons to CEP, we made COS adjustments by deducting direct selling expenses incurred on home market sales. Since no respondent had U.S. direct selling expenses other than those deducted from the starting price in calculating CEP pursuant to section 772(d) of the Act, we made no additions to normal value in making COS adjustments. We also made adjustments, where applicable, for indirect selling expenses incurred on home market sales to offset commissions in EP calculations; specifically, we deducted from normal value the lesser of (1) the amount of commission paid on a U.S. sale for a particular product, or (2) the amount of indirect selling expenses incurred on the home market sales for a particular product, including inventory carrying costs in accordance with 19 CFR 353.56.

#### Level of Trade/CEP Offset

As set forth in section 773(a)(1)(B)(i) of the Act and in the Statement of Administrative Action (SAA) accompanying the URAA at 829-831, to

the extent practicable, the Department will calculate NV based on sales at the same LOT as the EP or CEP. When the Department is unable to find sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market.

We determine that sales are made at different levels of trade if they are made at different marketing stages (or their equivalent). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *See Certain Welded Carbon Steel Standard Pipes and Tubes from India; Preliminary Results of New Shipper Antidumping Duty Administrative Review*, 62 FR 23760, 23761 (May 1, 1997). *See, also*, 19 CFR 351.412 (62 FR 27296, 27414-27415 (May 19, 1997)) for a concise description of this practice.

In implementing these principles in this review, we obtained information from each respondent regarding the marketing stage involved in the reported home market and U.S. sales, including a description of the selling activities performed by the respondents for each channel of distribution. (For further information on the LOT analysis for each company, see the Memorandum from the team to S. Kuhbach of December 1, 1997.) Pursuant to section 773(a)(1)(B)(i) of the Act and the SAA at 827, in identifying levels of trade for EP and home market sales we considered the selling functions reflected in the starting prices before any adjustments. For CEP sales, we considered only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. We expect that, if claimed levels of trade are the same, the functions and activities of the seller should be similar. Conversely, if a party claims that levels of trade are different for different groups of sales, the functions and activities of the seller should be dissimilar.

When CEP sales have been made in the United States, in SeAH's case, section 773(a)(7)(B) of the Act establishes that a CEP "offset" may be made provided that two conditions exist: (1) NV is established at a LOT that is at a more advanced stage of distribution than the LOT of the CEP; and (2) the data available do not permit a determination that there is a pattern of consistent price differences between sales at different levels of trade in the comparison market.

#### *Shinho, Hyundai, and KISCO/Union*

Based on an analysis of the selling functions, class of customers, and level of selling expenses, we found that sales made by Shinho, Hyundai and KISCO/Union were at a single stage in the marketing process in both the home market and the United States (*i.e.*, one LOT exists in home market and one LOT exists in the United States with respect to each company). Moreover, because the stages of marketing in the two markets were not substantially dissimilar, we have preliminarily found that sales in both markets are at the same LOT and consequently no LOT adjustment is warranted.

#### *SeAH*

With respect to SeAH's EP sales, we found that sales were made at a single stage in the marketing process in both the home market and the United States, and that these stages of marketing were not substantially dissimilar. Therefore, we have preliminarily found that SeAH's EP and home market sales are at the same LOT and that no LOT adjustment is needed.

SeAH asserts that its home market sales are at a more advanced LOT than its CEP sales because the CEP LOT does not include inventory maintenance or expenses associated with arranging for freight. We have preliminarily determined that these differences in selling activities are not substantial and, therefore, that SeAH's home market and CEP sales are made at the same marketing stages. Consequently, we preliminarily determine that SeAH's home market and U.S. sales are at the same LOT and no CEP offset is warranted.

#### Cost of Production Analysis

Based on timely allegations filed by the petitioners, the Department initiated a cost of production (COP) investigation of Union/KISCO to determine whether sales were made at prices below the COP. *See Memoranda from Craig Matney to Office Director Susan Kuhbach*, dated June 24 and June 25, 1997.

Because we disregarded sales below the COP in the less-than-fair-value (LTFV) investigation for Hyundai, SeAH, and Shinho (*see Circular Welded Non-Alloy Steel Pipe from Korea: Notice of Final Court Decision and Amended Final Determination*, 60 FR 55833, November 3, 1995 (Pipe LTFV)), 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 these companies' home market.

We conducted the COP analysis described below.

#### A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP, by model, based on the sum of the cost of materials, fabrication and general expenses, and packing costs.

#### B. Results of the COP Test

Pursuant to section 773(b)(2)(C), where less than 20 percent of a respondent's sales of a given product were made at prices below 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 were made at prices below the COP, we disregarded the below-cost sales because such sales were found to be made within an extended period of time in "substantial quantities" in accordance with sections 773(b)(2)(B) and (C) of the Act. Moreover, based on comparisons of price to weighted-average COPs for the POR, we determined that the below-cost sales of the product were at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Where all contemporaneous sales of a specific product were made at prices below the COP, we calculated NV based on CV, in accordance with section 773(a)(4) of the Act.

We found that all respondents made home market sales at below COP prices within an extended period of time in substantial quantities. Further, we found that these sales prices did not permit for the recovery of costs within a reasonable period of time. We therefore excluded these sales from our analysis in accordance with section 773(b)(1) of the Act.

#### Constructed Value

Where NV could not be based on home market sales either because (1) there were no contemporaneous sales of a comparable product or (2) all contemporaneous sales of the comparison product failed the COP test, we compared U.S. prices to CV. In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of the cost of materials of the product sold in the United States, plus amounts for general expenses, home market

profit and U.S. packing costs. We calculated each respondent's CV based on the methodology described in the "Calculation of COP" section of this notice, above. In accordance with section 773(e)(2)(A), we used the actual amounts incurred and realized by respondents in connection with the production and sale of the foreign like product, in the ordinary course of trade, for consumption in the foreign country to calculate general expenses and home market profit.

For price-to-CV comparisons, we made adjustments to CV in accordance with section 773(a)(8) of the Act and 19 CFR 353.56 for COS differences. For comparisons to EP, we made COS adjustments by deducting direct selling expenses incurred on home market sales and adding U.S. direct selling expenses. For comparisons to CEP, we made COS adjustments by deducting direct selling expenses incurred on home market sales. We also made adjustments, where applicable, for indirect selling expenses incurred on home market sales to offset U.S. commissions in EP comparisons; specifically, we deducted from normal value the lesser of: (1) The amount of commission paid on a U.S. sale for a particular product, or (2) the amount of indirect selling expenses incurred on the home market sales for a particular product.

#### Currency Conversion

We made currency conversions in accordance with section 773A of the Act. Currency conversions were made at the rates certified by the Federal Reserve Bank. Section 773A(a) directs the Department to use a daily exchange rate to convert foreign currencies into U.S. dollars unless the daily rate involves a "fluctuation." It is our practice to find that a fluctuation exists when the daily exchange rate differs from a benchmark rate by 2.25 percent. See *Preliminary Results of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube from Turkey*, 61 FR 35188, 35192 (July 5, 1996). The benchmark rate is defined as the rolling average of the rates for the past 40 business days.

#### Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following margin exists for the period November 1, 1995, through October 31, 1996:

Manufacturer/exporter	Margin (percent)
Hyundai .....	4.10
Union/KISCO .....	2.36
Shinho .....	3.34

Manufacturer/exporter	Margin (percent)
SeAH .....	7.71

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Interested parties may also request a hearing within ten days of publication. If requested, a hearing will be held March 2, 1998. Interested parties may submit case briefs pertaining to non-verification issues by January 12, 1998. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than January 20, 1998. Briefs pertaining to verification issues must be submitted by February 26, 1998, with rebuttal briefs not later than March 5, 1998. The Department will issue a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such briefs, within 120 days from the publication of these preliminary results.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with the methodology in *Final Results of Antidumping Duty Administrative Review and Partial Termination of Administrative Review: Circular Welded Non-Alloy Steel Pipe from the Republic of Korea* (62 FR 55574, October 27, 1997), we calculated exporter/importer-specific assessment values by dividing the total dumping duties due for each importer by the number of tons used to determine the duties due. We will direct Customs to assess the resulting per-ton dollar amount against each ton of the merchandise entered by these importers' during the review period.

Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of steel wire rope from Korea entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed companies will be the rates established in the final results of this administrative review (except no cash deposit will be required for those companies whose weighted-average margin is *de minimis*, i.e., less than 0.5 percent); (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in the original LTFV investigation or a previous review, the cash deposit will continue to be the most recent rate published in the final determination or

final results for which the manufacturer or exporter received an individual rate; (3) if the exporter is not a firm covered in this review, the previous review, or the original 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 reviews, the cash deposit rate will be 4.80 percent, the "all others" rate established in the less-than-fair-value investigation. *See Pipe LTFV.*

This notice serves as a preliminary reminder to importers of their responsibility 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 sections 751(a)(1) and 751(d) of the Act (19 U.S.C. 1675(a)(1)), 19 CFR 353.22.

Dated: December 1, 1997.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 97-32063 Filed 12-5-97; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-201-805]

#### **Circular Welded Non-Alloy Steel Pipe and Tube From Mexico: Preliminary Results of Antidumping Duty Administrative Review and Partial Termination of Review**

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

**ACTION:** Notice of preliminary results of antidumping duty administrative review and partial termination of review.

**SUMMARY:** In response to requests from two respondents, the Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on circular welded non-alloy steel pipe and tube from Mexico. This review covers two manufacturers and exporters of the subject merchandise. The period of review ("POR") is November 1, 1995, through October 31, 1996.

With respect to Tuberia Nacional, S.A. de C.V. ("TUNA"), this review has now been terminated as a result of the withdrawal request for administrative review by TUNA, the interested party that requested review of TUNA. We preliminarily determine the dumping margin for Hylsa S.A. de C.V. ("Hylsa") to be 7.90 percent during the POR. Interested parties are invited to comment on these preliminary results. Parties who submit arguments in this proceeding should also submit with their arguments (1) A statement of the issues, and (2) a brief summary of the arguments.

**EFFECTIVE DATE:** December 8, 1997.

#### **FOR FURTHER INFORMATION CONTACT:**

Ilissa Kabak or Linda Ludwig, Enforcement Group III—Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Room 7866, Washington, D.C. 20230; telephone (202) 482-0182 (Kabak), or (202) 482-3833 (Ludwig).

#### **SUPPLEMENTARY INFORMATION:**

##### **The Applicable Statute**

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all references to the Department's regulations are to 19 C.F.R. Part 353 (April 1, 1997). Where appropriate, we have cited the Department's new regulations, codified at 19 C.F.R. Part 351 (62 Fed. Reg. 27296, May 19, 1997). While not binding on this review, the new regulations serve as a restatement of the Department's policies.

##### **Background**

The Department published an antidumping duty order on circular welded non-alloy steel pipe and tube from Mexico on November 2, 1992 (57 FR 49453). The Department published a notice of "Opportunity to Request an Administrative Review" of the antidumping duty order for the 1995/96 review period on November 4, 1996 (61 FR 56663). On November 27, 1996, respondents Hylsa and TUNA requested that the Department conduct an administrative review of the antidumping duty order on circular welded non-alloy steel pipe and tube from Mexico. We initiated this review on December 16, 1996. *See* 61 FR 66017 (December 16, 1996). On February 4, 1997, TUNA requested a withdrawal from the proceeding.

Pursuant to 19 CFR 353.22(a)(5) of the Department's regulations, the Department may allow a party that requests an administrative review to withdraw such request not later than 90 days after the date of publication of the notice of initiation of the administrative review. TUNA's request for withdrawal was timely and there were no requests for review from other interested parties. Therefore, the Department is terminating this review with respect to TUNA. This notice is in accordance with section 353.22(a)(5) of the Department's regulations (19 CFR 353.22(a)(5)).

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 June 16, 1997, the Department published a notice of extension of the time limit for the preliminary results in this case to December 2, 1997. *See Extension of Time Limit for Antidumping Duty Administrative Reviews*, 62 FR 36488 (July 8, 1997).

The Department is conducting this review in accordance with section 751(a) of the Act.

##### **Scope of the Review**

The products covered by these orders are 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, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low pressure conveyance of water, steam, natural gas, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses, and generally meet ASTM A-53 specifications. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and related industries. Unfinished conduit pipe is also included in these orders.

All carbon steel pipes and tubes within the physical description outlined above are included within the scope of these orders, except line pipe, oil country tubular goods, boiler tubing,