

that there exists one LOT for SKC's home market sales.

For the U.S. market SKC reported two LOTs: (1) EP sales made directly to its U.S. customers, and (2) CEP sales made through SKC America, Inc., SKC's wholly-owned U.S. subsidiary. The Department examined the selling functions performed by SKC for both EP and CEP sales. These selling functions included customer sales contacts (i.e., visiting current or potential customers, receiving orders, promotion of new products, collection of unpaid invoices), technical services, inventory maintenance, and/or business system development. We found that SKC provided a greater degree of these services on EP sales than it did on CEP sales, and that the selling functions were sufficiently different to warrant two separate LOTs in the United States.

When we compared EP sales to home market sales, we determined that both sales were made at the same LOT. For both EP and home market transactions, SKC sold directly to the customer and provided similar levels of customer sales contacts, technical services, inventory maintenance and business system development. Therefore, no LOT adjustment was warranted.

For CEP sales, SKC performed fewer customer sales contacts, technical services, inventory maintenance, and computer legal, audit and business system development. In addition, the differences in selling functions performed for home market and CEP transactions indicate that home market sales involved a more advanced stage of distribution than CEP sales.

Because we compared these CEP sales to HM sales at a different LOT, we examined whether a LOT adjustment may be appropriate. In this case SKC sold at one LOT in the home market; therefore, there is no demonstrated pattern of consistent price differences between LOTs. Further, we do not have the information which would allow us to examine pricing patterns of SKC's sales of other similar products, and there are no other respondent's or other record evidence on which such an analysis could be based.

Because the data available do not provide an appropriate basis for making a LOT adjustment but the LOT in Korea for SKC is at a more advanced stage than the LOT of the CEP sales, a CEP offset is appropriate in accordance with section 773(a)(7)(B) of the Act, as claimed by SKC. We based the CEP offset amount on the amount of home market indirect selling expenses, and limited the deduction for home market indirect selling expenses to the amount of indirect selling expenses deducted

from CEP in accordance with section 772(d)(1)(D) of the Act. We applied the CEP offset to NV, whether based on home market prices or CV.

Preliminary Results of Review

We preliminarily determine that a margin of 1.21 percent exists for SKC for the period June 1, 1997 through May 31, 1998. We will disclose calculations performed in connection with this preliminary results of review within 5 days of the day of publication of this notice. Interested parties may request a hearing not later than 30 days after publication of this notice. Interested parties may also submit written arguments in case briefs on these preliminary results within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than five days after the time limit for filing case briefs. Parties who submit arguments are requested to submit with each argument a statement of the issue and a brief summary of the argument. All memoranda to which we refer in this notice can be found in the public reading room, located in the Central Records Unit, room B-009 of the main Department of Commerce building. Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs.

The Department will publish the final results of this administrative review, including a discussion of its analysis of issues raised in any case or rebuttal brief or at a hearing. The Department will issue final results of this review within 120 days of publication of these preliminary results.

Upon completion of the final results in this review, the Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212 (b), we have calculated an importer/customer-specific assessment rate based on the ratio of the total amount of antidumping duties calculated for the examined sales to the entered value of those same sales. This Department will issue appraisal instructions on each exporter directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of PET film from the Republic of 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 firm will be the rate established in the final

results of administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in the original less-than-fair-value (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 a company-specific rate; (3) if the exporter is not a firm covered in this review or the original investigation, but the manufacturer is, the cash deposit rate will be that established for the manufacturer of the merchandise in the final results of this review or the LTFV investigation; 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 21.5%, the "all others" rate established in the LTFV investigation.

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) 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 777(i)(1) of the Act.

Dated: June 30, 1999.

Richard W. Moreland,
Acting Assistant Secretary for Import Administration.

[FR Doc. 99-17642 Filed 7-9-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-475-059]

Pressure Sensitive Plastic Tape From Italy; Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results of the antidumping duty administrative review of pressure sensitive plastic tape from Italy.

SUMMARY: The Department of Commerce is conducting an administrative review of the antidumping duty finding on pressure sensitive plastic tape (PSPT) from Italy in response to a request from

a manufacturer of the subject merchandise, Autoadesivi Magri s.r.l. The period of review (POR) is October 1, 1997 through September 30, 1998. This review covers products manufactured and exported by Autoadesivi Magri s.r.l. 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 U.S. Customs Service to assess antidumping duties based on the difference between the export price or constructed export price and normal value.

We invite interested parties to comment on these preliminary results. Parties who submit arguments are requested to submit with the argument: (1) A statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: July 12, 1999.

FOR FURTHER INFORMATION CONTACT: Nova J. Daly or Thomas Futtner, AD/CVD Enforcement, Group II, Office Four, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-0989, and 482-3814, respectively.

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 citations to the Department of Commerce's regulations refer to the regulations codified at 19 CFR Part 351 (April 1998).

Scope of the Review

Imports covered by the review are shipments of PSPT measuring 1 $\frac{3}{8}$ inches in width and not exceeding 4 millimeters (mils) in thickness. During the POR, the above described PSPT was classified under Harmonized Tariff Schedule (HTS) subheadings 3919.90.20 and 3919.90.50. The HTS subheadings are provided for convenience and for U.S. Customs Service (Customs) purposes. The written description remains dispositive as to the scope of the product coverage.

Background

On October 21, 1977, the Department of Commerce (the Department) published in the **Federal Register** (42 FR 56110) the antidumping duty finding

on PSPT from Italy. On October 9, 1998, the Department published a notice of "Opportunity to Request an Administrative Review" of this antidumping finding for the period, October 1, 1997 through September 30, 1998 (63 FR 54440). On October 28, 1998, in accordance with 19 CFR 351.213(b), Autoadesivi Magri s.r.l. (Magri), a manufacturer of the subject merchandise, requested that the Department conduct an administrative review of its exports of subject merchandise to the United States. We did not receive a request to conduct an administrative review from any other party. On November 30, 1998, the Department published a "Notice of Initiation of Administrative Review" (63 FR 65748) covering the POR for the above manufacturer.

On November 10, 1998, we issued an antidumping questionnaire to Magri, setting an original deadline of January 11, 1999, for its response. On November 30, 1998, Magri requested an extension of the deadline for submitting its response to January 25, 1999. We granted this request for an extension on December 11, 1998, and specified that if Magri had any questions, it should contact the Department. We did not receive a response to the Department's questionnaire from Magri. In a February 17, 1999 letter to Magri we again afforded it the opportunity to respond to the Department's questionnaire. In the letter, we stated that if Magri had so far not responded because it had no shipments of subject merchandise during the POR, it could so respond by March 15, 1999. We also specified that, otherwise, the Department would take Magri's non-response to mean that it had decided not to cooperate with the review. We clearly stated that, as a consequence, we would apply facts available (FA), as stated in our November 10, 1998, questionnaire.

Because we did not receive a questionnaire response or any other correspondence from Magri, we have determined that we must resort to FA for Magri pursuant to section 776(a) of the Act (see "Use of Facts Otherwise Available" section, below).

Use of Facts Otherwise Available

Magri did not respond to our original questionnaire or to a follow-up letter that was issued to it. (See "Background" section of this notice). Section 776(a)(2) of the Act provides that, if an interested party: (1) Withholds information that has been requested by the Department, (2) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and 782(e) of the

Act, (3) significantly impedes a determination under the antidumping statute, or (4) provides such information but the information cannot be verified as provided in section 782(i) of the Act, then the Department shall, subject to section 782(d) of the Act, use facts otherwise available in reaching the applicable determination. Because Magri did not respond to the questionnaire or the follow-up letter, we preliminarily determine that, in accordance with section 776(a)(2)(A) of the Act, the use of FA is appropriate for Magri. In addition, there is no information on the record within the meaning of section 782(e) of the Act with regard to sales by Magri and, therefore, no information to consider as an alternative to FA in determining the margin for this company.

Because Magri completely failed to respond, despite the Department's best efforts to accommodate the company, we must conclude that Magri failed to cooperate to the best of its ability to comply with the Department's request for information.

Section 776(b) of the 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 an inference that is adverse to the interests of that party in selecting from among the facts otherwise available. The section provides that an adverse inference may include reliance on information derived from: (1) The petition, (2) the final determination in the investigation segment of the proceeding, (3) a previous review under section 751 of the Act or a determination under section 753 of the Act, or (4) any other information placed on the record. In addition, the Statement of Administrative Action (SAA) accompanying the URAA, H.R. Doc. 103-316, Vol. 1 (1994), establishes that the Department may employ an adverse inference "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." See SAA at 870. In employing adverse inferences, the SAA instructs the Department to consider "the extent to which a party may benefit from its own lack of cooperation." *Id.*; see also *Roller Chain Other Than Bicycle, From Japan; Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 62 FR 69472, 69477 (November 10, 1997).

Because Magri did not cooperate by complying with our request for information, and in order to ensure that it does not benefit from its lack of

cooperation, we are employing an adverse inference in selecting from among the facts otherwise available. The Department's practice when selecting an adverse FA rate from among the possible sources of information has been to ensure that the margin is sufficiently adverse so "as to effectuate the purpose of the FA rule to induce respondents to provide the Department with complete and accurate information in a timely manner." See *Static Random Access Memory Semiconductors From Taiwan; Final Determination of Sales at Less Than Fair Value*, 63 FR 8909, 8932 (February 23, 1998).

In order to ensure that the rate is sufficiently adverse so as to induce Magri's future cooperation, we have assigned the company as adverse FA the highest rate from any prior segment of the proceeding, 12.66 percent. This rate was calculated in *Pressure Sensitive Plastic Tape From Italy; Final Results of Administrative Duty Review of Antidumping Finding*, 48 FR 35686 (August 5, 1983) (*Final Results 1977-80*), covering the period February 18, 1977 through September 30, 1980.

Information from prior segments of the proceeding, such as involved here, constitutes "secondary information" under section 776(c) of the Act. Section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate secondary information used for FA by reviewing independent sources reasonably at its disposal. The SAA provides that to "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value. See SAA at 870. As noted in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996) (*TRBs*), to corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used. However, unlike other types of information, such as input costs or selling expenses, there are no independent sources from which the Department can derive calculated dumping margins; the only source for margins is administrative determinations. Thus, in an administrative review, if the Department chooses as total adverse FA a calculated dumping margin from a prior segment of the proceeding, it is not necessary to

question the reliability of the margin for that time period.

As to the relevance of the margin used for adverse FA, the Department stated in *TRBs* that it will "consider information reasonably at its disposal as to whether there are circumstances that would render a margin irrelevant. Where circumstances indicate that the selected margin is not appropriate as adverse FA, the Department will disregard the margin and determine an appropriate margin." *Id.*

As stated above, the highest rate determined in any prior segment of the proceeding is 12.66 percent, a calculated rate from *Final Results 1977-80*.

In the absence of information on the administrative record that application of the 12.66 percent rate to Magri would be inappropriate as an adverse FA rate in the instant review, we have applied, as FA, the 12.66 percent margin from a prior administrative review of this finding, and have satisfied the corroboration requirements under section 776(c) of the Act.

Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following margin exists for the POR:

Manufacturer/exporter	Weighted-average margin percentage
Autoadesivi Magri s.r.l.	12.66

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within 5 days of the date of publication of this notice. Any interested party may request a hearing within 30 days of the date of publication of this notice. Parties who submit arguments in this proceeding are requested to submit with each argument: (1) A statement of the issue and (2) a brief summary of the argument. All case briefs must be submitted within 30 days of the date of publication of this notice. Rebuttal briefs, which are limited to issues raised in the case briefs, may be filed not later than seven days after the case briefs are filed. A hearing, if requested, will be held two days after the date the rebuttal briefs are filed or the first business day thereafter.

The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of the issues raised in any written comments or at the hearing, within 120 days from the publication of these preliminary results.

The Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. Upon completion of this review, the Department will issue appraisement instructions directly to Customs. Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of PSPT from Italy 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 company will be the rate established in the final results of this administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this review, but covered in the original less-than-fair-value (LTFV) investigation or in a previous review, the cash deposit rate will continue to be the most recent rate published in the final determination or final results for which the manufacturer or exporter received a company-specific rate; (3) if the exporter is not a firm covered in this review, a previous review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this review or in any previous reviews or in the original LTFV investigation, the cash deposit rate will be 12.66 percent, the "new shipper" rate established in the final results of the first antidumping finding administrative review conducted by the Department (see *Final Results 1977-80*, 48 FR at 35688).¹ These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) of the Department's regulations to file a certificate regarding the reimbursement of antidumping duties prior to

¹ This rate will constitute the "all others" rate for this review. In proceedings governed by antidumping findings, unless we are able to ascertain the "all others" rate from the Treasury LTFV investigation, the Department has determined that it is appropriate to adopt the "new shipper" rate established in the first final results of administrative review published by the Department (or that rate as amended for correction of clerical errors as a result of litigation) as the "all others" rate for the purposes of establishing cash deposits in all current and future administrative reviews, (see, e.g., *Final Results of Antidumping Duty Administrative Review of Certain Internal-Combustion Industrial Forklift Trucks From Japan*, 59 FR 1374, 1384, (January 10, 1994)).

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 777(i)(1) of the Act.

Dated: July 2, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99-17644 Filed 7-9-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-401-401]

Certain Carbon Steel Products From Sweden: Preliminary Results of Countervailing Duty Administrative Review

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

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

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the countervailing duty order on certain carbon steel products from Sweden. The period covered by this administrative review is January 1, 1997 through December 31, 1997. For information on the net subsidy for each reviewed company, as well as for all non-reviewed companies, please see the *Preliminary Results of Review* section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to assess countervailing duties as detailed in the *Preliminary Results of Review* section of this notice. Interested parties are invited to comment on these preliminary results. (See *Public Comment* section of this notice.)

EFFECTIVE DATE: July 12, 1999.

FOR FURTHER INFORMATION CONTACT: Tipten Troidl or Gayle Longest, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2786.

SUPPLEMENTARY INFORMATION:

Background

On October 4, 1985, the Department published in the **Federal Register** (50 FR 48517) the countervailing duty order on certain carbon steel products from Sweden. On October 9, 1998, the Department published a notice of "Opportunity to Request Administrative Review" (63 FR 54440) of this countervailing duty order. We received timely requests for review, and we initiated a review covering the period January 1, 1997 through December 31, 1997, on November 30, 1998 (63 FR 65749).

In accordance with 19 CFR 351.213(b) this review covers only those producers or exporters of the subject merchandise for which a review was specifically requested. The producer/exporter of the subject merchandise for which the review was requested is: SSAB Svenskt Stal AB (SSAB). This review covers seven programs.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act ("URAA") effective January 1, 1995 ("the Act"). The Department is conducting this administrative review in accordance with section 751(a) of the Act. All citations to the Department's regulations reference 19 CFR Part 351 (1998), unless otherwise indicated.

Scope of the Review

Imports covered by this review are shipments of certain carbon steel products from Sweden. These products include cold-rolled carbon steel, flat-rolled products, whether or not corrugated, or crimped: whether or not pickled, not cut, not pressed and not stamped to non-rectangular shape; not coated or pleated with metal and not clad; over 12 inches in width and of any thickness; whether or not in coils. During the review period, such merchandise was classifiable under the *Harmonized Tariff Schedule* (HTS) item numbers 7209.11.0000, 7209.12.0000, 7209.13.0000, 7209.21.0000, 7209.22.0000, 7209.23.0000, 7209.24.5000, 7209.31.0000, 7209.32.0000, 7209.33.0000, 7209.34.0000, 7209.41.0000, 7209.43.0000, 7209.44.0000, 7209.90.0000, 7211.30.5000, 7211.41.7000 and 7211.49.5000. The written description remains dispositive.

Subsidies Valuation Information

Privatization and Sale of Assets to Other Companies

SSAB is the only Swedish company that produces and exports the subject merchandise. SSAB has sold several productive units and the company was partially privatized in 1987 and in 1989. In 1994, SSAB was completely privatized.

In *Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Sweden*, 58 FR 37385 (July 9, 1993) (*1993 Certain Steel Products*), the Department found that SSAB had received countervailable subsidies prior to the sale of the productive units and the two partial privatizations. Further, the Department found that a private party purchasing all or part of a government-owned company can repay prior subsidies on behalf of the company as part or all of the sales price (see *General Issues Appendix*, (GIA) 58 FR 37217, 37262 (July 9, 1993)). Therefore, to the extent that a portion of the sales price paid for a privatized company can be reasonably attributed to prior subsidies, that portion of those subsidies will be extinguished.

To calculate a rate for the subsidies that were allocated to the spin-off, i.e., a productive unit that was sold, we first determined the amount of the subsidies attributable to each productive unit by dividing the asset value of that productive unit by the total asset value of SSAB in the year of the spin-off. We then applied this ratio to the net present value (NPV), in the year of the spin-off, of the future benefit streams from all of SSAB's prior subsidies allocable to the POR. The future benefit streams at the time of the sale of each productive unit reflect the Department's allocation over time of prior subsidies to SSAB in accordance with the declining balance methodology (see *Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom; Preliminary Results of Countervailing Duty Administrative Review*, 62 FR 64568 (December 8, 1997) and *Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom; Final Results of Countervailing Duty Administrative Review*, 63 FR 18367 (April 15, 1998)), and reflect also the effect of prior spin-offs of SSAB productive units.

We next estimated the portion of the purchase price which represents repayment of prior subsidies by determining the portion of SSAB's net worth that was accounted for by subsidies. To do that, we divided the face value of the allocable subsidies