

cash deposits will be required for the subject merchandise.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402 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 determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 31, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-815 & A-580-816]

Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Preliminary Results of Antidumping Duty Administrative Reviews

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

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

SUMMARY: In response to requests from three respondents and from the petitioners in the original investigation, the Department of Commerce ("the Department") is conducting (the fifth) administrative reviews of the antidumping duty orders on certain cold-rolled and corrosion-resistant carbon steel flat products from Korea. These reviews cover three manufacturers and exporters of the subject merchandise. The period of review ("POR") is August 1, 1997, through July 31, 1998.

We preliminarily determine that sales have been made below normal value ("NV"). If these preliminary results are adopted in our final results of administrative reviews, we will instruct U.S. Customs to assess antidumping duties equal to the difference between export price ("EP") or constructed export price ("CEP") and NV.

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

EFFECTIVE DATE: September 8, 1999.

FOR FURTHER INFORMATION CONTACT:

Juanita Chen (Dongbu), Becky Hagen (the POSCO Group), Marlene Hewitt (Union), or James Doyle, Enforcement Group III—Office 9, 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) 482-0409 (Chen), -0961 (Hagen), -1385 (Hewitt), or -0159 (Doyle).

SUPPLEMENTARY INFORMATION:

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 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR Part 351 (April 1998).

Background

The Department published antidumping duty orders on certain cold-rolled and corrosion-resistant carbon steel flat products from Korea on August 19, 1993 (58 FR 44159). The Department published a notice of "Opportunity to Request an Administrative Review" of the antidumping duty orders for the 1997/98 review period on August 19, 1998 (63 FR 42821). On August 31, 1998, respondent Union Steel Manufacturing Co., Ltd. ("Union") requested that the Department conduct an administrative review of the antidumping duty order on corrosion-resistant carbon steel flat products from Korea, and Dongbu Steel Co., Ltd. ("Dongbu") and Pohang Iron and Steel Co., Ltd. ("POSCO") requested that the Department conduct administrative reviews of the antidumping duty orders on cold-rolled and corrosion-resistant carbon steel flat products from Korea. On August 31, 1998, petitioners in the original less-than-fair-value ("LTFV") investigations (AK Steel Corporation; Bethlehem Steel Corporation; Inland Steel Industries, Inc.; LTV Steel Company; National Steel Corporation; and U.S. Steel Group A Unit of USX Corporation) requested that the Department conduct administrative

reviews of the antidumping duty orders on cold-rolled and corrosion-resistant carbon steel flat products from Korea with respect to all three of the aforementioned respondents. We initiated these reviews on September 23, 1998 (63 FR 51893—September 29, 1998).

Under the Act, the Department may extend the deadline for completion of administrative reviews if it determines that it is not practicable to complete the review within the statutory time limit of 365 days. The Department extended the time limits for the preliminary results in these cases. See *Certain Cold-Rolled Carbon Steel Flat Products and Certain Corrosion-Resistant Carbon Steel Flat Products from Korea: Antidumping Duty Administrative Reviews: Extension of Time Limit*, 64 FR 10982 (March 8, 1999).

The Department is conducting these administrative reviews in accordance with section 751 of the Act.

Scope of the Reviews

The review of "certain cold-rolled carbon steel flat products" covers cold-rolled (cold-reduced) carbon steel flat-rolled products, of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished or coated with plastics or other nonmetallic substances, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule ("HTS") under item numbers 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, 7215.50.0015, 7215.50.0060, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000,

7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090. Included in this review are flat-rolled products of nonrectangular 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. Excluded from this review is certain shadow mask steel, *i.e.*, aluminum-killed, cold-rolled steel coil that is open-coil annealed, has a carbon content of less than 0.002 percent, is of 0.003 to 0.012 inch in thickness, 15 to 30 inches in width, and has an ultra flat, isotropic surface.

The review of "certain corrosion-resistant carbon steel flat products" covers flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090. Included in this review are flat-rolled products of nonrectangular 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. Excluded from this review are: flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both

chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating; clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness; and certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%–60%–20% ratio.

These HTS item numbers are provided for convenience and customs purposes. The written descriptions remain dispositive.

The POR is August 1, 1997 through July 31, 1998. These reviews cover entries associated with sales of certain cold-rolled and corrosion-resistant carbon steel flat products by Dongbu, Union, and the POSCO Group (see "Affiliated Parties" section below).

Verification

We verified information provided by the POSCO Group with respect to costs, sales, and service center sales, including on-site inspection of facilities of the manufacturer, the examination of relevant accounting and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the cost, sales, and service center verification reports. See the August 5, 1999 Cost Verification Report from Steve Bezirgianian, Becky Hagen, and Marlene Hewitt through James C. Doyle to Edward Yang, the August 10, 1999 Sales Verification Report from Steve Bezirgianian, Becky Hagen, and Marlene Hewitt through James C. Doyle to the File, and the August 2, 1999 Service Center Verification Report from Steve Bezirgianian, Becky Hagen, and Marlene Hewitt through James C. Doyle to Edward Yang, respectively.

Transactions Reviewed

Consistent with prior reviews, we excluded reported overrun sales in the home market from our sales comparisons because such sales were outside the ordinary course of trade.

The POSCO Group

According to section 351.403(d) of the Department's regulations, downstream sales to home market affiliates accounting for less than 5 percent of total sales are normally excluded from the normal value calculation. Since the

POSCO Group's sales to affiliated resellers did not meet the Department's 5 percent threshold, the Department has required the POSCO Group to report the home market downstream sales of the five affiliated service centers with the largest volume of sales of subject merchandise in each case. If the sales to the affiliated service centers did not pass the arm's length test, we used the resales made by these affiliated service centers. To test whether these sales were made at arm's length, we compared the prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, discounts and packing. Where prices to the affiliated parties were on average 99.5 percent or more of the price to the unaffiliated party, we determined that sales made to the related party were at arm's length. Where no affiliated customer ratio could be calculated because identical merchandise was not sold to unaffiliated customers, we were unable to determine that these sales were made at arm's length and, therefore, excluded them from our 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). Where the exclusion of such sales eliminated all sales of the most appropriate comparison product, we made comparisons to the next most similar model.

Dongbu

In determining NV, based on our review of the submissions by Dongbu, the Department determined that Dongbu need not report "downstream" sales by affiliated resellers in the home market because of their small quantity.

We excluded from our margin calculation certain Dongbu home market sales of painted corrosion-resistant carbon steel flat products which we have determined to be outside of the ordinary course of trade. Specifically, we found that, based on Dongbu's description, the sales in question met such criteria for exclusion that were laid out in prior administrative reviews for products outside the ordinary course of trade. See, *e.g.*, Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea: Final Results of Antidumping Duty Administrative Reviews, 64 FR 12927, 12941–42 (March 16, 1999); Certain Corrosion-Resistant Carbon Steel Flat Products From Australia: Final Results of Antidumping Duty Administrative Reviews, 61 FR 14049, 14050–51 (March 29, 1996); and Certain Welded Carbon Steel Standard Pipes and Tubes From India, Final

Results of Antidumping Duty Administrative Reviews, 56 FR 64753, 64755 (December 12, 1991). The sales in question were: limited in quantity; at extremely low prices relative to costs; and involved coils of unusual sizes which would not be considered desirable by customers (see pages 18–19 of Dongbu's July 6, 1999 supplemental questionnaire response; note that the cover page to that response incorrectly indicates that the submission is dated July 6, 1998). For additional analysis, see the August 31, 1999 Preliminary Results Analysis Memorandum from Juanita Chen through James Doyle to the File.

Union

Union did not have any "downstream" sales by affiliated resellers in the home market to report.

Affiliated Parties

For purposes of these reviews, we are treating POSCO, Pohang Coated Steel Co., Ltd. ("POCOS"), and Pohang Steel Industries Co., Ltd. ("PSI") as affiliated parties and have "collapsed" them, *i.e.*, treated them as a single producer of certain cold-rolled carbon steel flat products (POSCO and PSI) and certain corrosion-resistant carbon steel flat products (POSCO, POCOS, and PSI). We refer to the collapsed respondent as the POSCO Group. POSCO, POCOS, and PSI were treated as collapsed in all previous segments of these proceedings. The POSCO Group has submitted no new information which would cause us to reconsider that determination. See the August 31, 1999 Analysis Memorandum from Becky Hagen through James Doyle to Edward Yang.

As we have determined in past administrative reviews, we are treating Union and Dongkuk Industries Co., Ltd. ("DKI") as a single producer of certain cold-rolled carbon steel flat products. See Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea: Preliminary Results of Antidumping Duty Administrative Reviews, 60 FR 65284 (December 19, 1995).

Additionally, we are treating DKI as a single producer of certain corrosion-resistant carbon steel flat products. See the August 31, 1999 Collapsing Memorandum from Marlene Hewitt through James Doyle to Edward Yang.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all cold-rolled carbon steel flat products produced by the respondents, covered by the descriptions in the "Scope of the Reviews" section of this notice, *supra*,

and sold in the home market during the POR, to be foreign like products for the purpose of determining appropriate product comparisons to U.S. sales of cold-rolled carbon steel flat products. Likewise, we considered all corrosion-resistant carbon steel flat products produced by the respondents and sold in the home market during the POR to be foreign like products for the purpose of determining appropriate product comparisons to corrosion-resistant carbon steel flat products sold in the United States.

For certain product characteristics (*i.e.*, quality and surface finish) Dongbu reported additional sub-codes. The Department has included the additional codes that Dongbu reported in the aforementioned categories in the Department's product matching methodology. See the August 31, 1999 Preliminary Results Analysis Memorandum from Juanita Chen through James Doyle to the File.

Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed in Appendix V of the Department's antidumping questionnaire. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondent. Where sales were made in the home market on a different weight basis from the U.S. market (theoretical versus actual weight), we converted all quantities to the same weight basis, using the conversion factors supplied by the respondents, before making our fair-value comparisons.

Fair-Value Comparisons

To determine whether sales of certain cold-rolled and corrosion-resistant carbon steel flat products by the respondents to the United States were made at less than fair value, we compared the export price ("EP") or constructed export price ("CEP") to the normal value ("NV"), as described in the "Export Price/Constructed Export Price" and "Normal Value" sections of this notice. In accordance with section 777A(d)(2) of the Act, we calculated monthly weighted-average prices for NV and compared these to individual U.S. transactions.

Particular Market Situation in the Home Market

On November 9, and December 1, 1998, the petitioners alleged that the Korean home market should not be used to determine NV because there were economic distortions constituting a

"particular market situation" in Korea during the period of review. Petitioners allege that two economic distortions make it impossible to obtain reliable measures of normal value in Korea, or to make proper comparisons of normal value with U.S. sales. These economic distortions, according to petitioners, are: (1) the precipitous depreciation of the Korean won during the POR, which was not accompanied by a corresponding increase in domestic prices, and resulted from a profound financial and banking crisis linked to global market activity rather than from underlying domestic economic fundamentals; and (2) the Government of Korea ("GOK") controls home market prices of cold-rolled and corrosion-resistant steel. Petitioners propose that the Department instead rely upon third country sales as the basis for normal value. We note that the precipitous drop in the value of the won at the end of 1997 warrants the use of daily exchange rates and modified benchmarks, as discussed in the "Currency Conversion" section below.

We preliminarily determine that the information submitted by petitioners and the questionnaire responses by the respondents do not show that there is a particular market situation in Korea that warrants disregarding the home market in this case. This is consistent with previous reviews in which petitioners also alleged a particular market situation in Korea's home market based on alleged government control of pricing. In those cases, we determined that the Korean home market was viable and appropriate as a basis for NV. See *e.g.* Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Final Results of Antidumping Duty Administrative Reviews, 62 FR 18404 (April 15, 1997), and Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Preliminary Results of Antidumping Duty Administrative Reviews, 62 FR 47422, 47425 (September 9, 1997).

Duty Absorption

On October 20, 1998, the petitioners requested that the Department determine whether antidumping duties have been absorbed by an exporter or producer subject to these administrative reviews, in the event that the subject merchandise was sold during this period of review in the United States through an importer affiliated with the POSCO Group, Dongbu, or Union. Section 751(a)(4) of the Act provides that, if requested, the Department will determine whether antidumping duties have been absorbed by a foreign producer or exporter subject to the order

if the subject merchandise is sold in the United States through an affiliated importer. Section 751(a)(4) of the Act authorizes this inquiry during an administrative review initiated two years or four years after publication of an order. For transition orders as defined in section 751(c)(6)(C) of the Act (*i.e.*, antidumping orders in effect as of January 1, 1995), section 351.213(j)(2) of the Department's regulations provides that the Department will make such a determination for any administrative review initiated in 1996 or 1998. The orders in these cases are transition orders, which went into effect in 1993. See Notice of Antidumping Duty Orders: Certain Cold-Rolled Carbon Steel Flat Products and Certain Corrosion-Resistant Carbon Steel Flat Products from Korea, 58 FR 44159 (August 19, 1993). Because this review was initiated in 1998, and the petitioners made a timely request for a duty absorption determination (*i.e.*, within 30 days of the date of publication of the notice of initiation of this review), we find that the regulatory requirements for a duty absorption determination have been met. See 19 CFR 351.213(j).

We have determined that duty absorption has occurred with respect to the percentages of sales shown below which were made through the respondents' U.S. affiliates and which had positive dumping margins:

Producer/Manufacturer/ Exporter	Percentage of U.S. affiliate's sales with dumping margins
Certain Cold-Rolled Carbon Steel Flat Products	
The POSCO Group	1.07
Certain Corrosion-Resistant Carbon Steel Flat Products	
Dongbu	20.81
The POSCO Group	2.92
Union	5.26

With respect to the above companies, we rebuttably presume that the duties will be absorbed for those sales which were dumped. This presumption can be rebutted with evidence that the unaffiliated purchasers in the United States will pay the ultimately assessed duty. However, there is no such evidence on the record. Under these circumstances, we preliminarily find that antidumping duties have been absorbed by the above-listed firms on the percentages of U.S. sales indicated. If interested parties wish to submit evidence that the unaffiliated purchasers in the United States will pay

the ultimately assessed duty, they must do so no later than 15 days after publication of these preliminary results.

Request for Revocation

The POSCO Group

On August 31, 1998, the POSCO Group submitted a request, in accordance with 19 CFR 351.222(e), that the Department revoke the orders covering certain cold-rolled carbon steel flat products and certain corrosion-resistant carbon steel flat products from Korea with respect to its sales of this merchandise.

In accordance with 19 CFR 351.222(e), these requests were accompanied by a certification from POSCO that it had not sold the subject merchandise at less than NV for a three-year period, including this review period, and would not do so in the future. POSCO also agreed to its immediate reinstatement of the relevant antidumping order, as long as any firm is subject to the order, if the Department concludes under 19 CFR 351.216 that, subsequent to revocation, POSCO sold the subject merchandise at less than NV.

In the third administrative reviews, we determined that the POSCO Group sold both cold-rolled and corrosion-resistant carbon steel flat products at less than normal value. See Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Final Results of Antidumping Duty Administrative Reviews, 63 FR 13170 (March 18, 1998), as amended at 63 FR 20572 (April 27, 1998). Although the final results of the third reviews are subject to litigation, that litigation is not yet complete. In the fourth administrative reviews, the POSCO Group had *de minimis* margins for both products. See Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Final Results of Antidumping Duty Administrative Reviews, 64 FR 10982 (March 8, 1999). Consequently, we preliminarily determine that because the POSCO Group does not have three consecutive years of zero or *de minimis* margins on cold-rolled carbon steel flat products and corrosion-resistant carbon steel flat products, it is not eligible for revocation of these orders under 19 CFR 351.222(e).

Dongbu

On August 31, 1998, Dongbu submitted a request, in accordance with 19 CFR 351.222(e), that the Department revoke the orders covering certain corrosion-resistant carbon steel flat products from Korea with respect to its sales of this merchandise.

In accordance with 19 CFR § 351.222(e), the request was accompanied by a certification from Dongbu that it had not sold the subject merchandise at less than NV for a three-year period, including this review period, and would not do so in the future. Dongbu also agreed to its immediate reinstatement in the relevant antidumping order, as long as any firm is subject to the order, if the Department concludes under 19 CFR 351.216 that, subsequent to revocation, it sold the subject merchandise at less than NV.

In the third administrative review, we determined that Dongbu sold corrosion-resistant carbon steel flat products at less than normal value. See Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Final Results of Antidumping Duty Administrative Reviews, 63 FR 13170 (March 18, 1998), as amended at 63 FR 20572 (April 27, 1998). In the fourth administrative review, we determined that Dongbu was selling corrosion-resistant carbon steel products at less than normal value. See Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Final Results of Antidumping Duty Administrative Reviews, 64 FR 10982 (March 8, 1999). Consequently, we preliminarily determine that because Dongbu does not have three consecutive years of zero or *de minimis* margins on corrosion-resistant steel, it is not eligible for revocation of the order on corrosion-resistant steel under 19 CFR § 351.222(e).

Union

Union did not request revocation.

Date of Sale

It is the Department's current practice normally to use the invoice date as the date of sale, although we may use a date other than the invoice date if we are satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale. See 19 CFR 351.401(i). We have preliminarily determined that there is no reason to depart from the Department's treatment of date of sale for these respondents. Consistent with prior reviews, for home market sales, we used the reported date of the invoice from the Korean manufacturer; for U.S. sales we have followed the Department's methodology from the prior reviews, and have based date of sale on invoice date from the U.S. affiliate, unless that date was subsequent to the date of shipment from Korea, in which case that shipment date is the date of sale. See Certain Cold-Rolled and Corrosion-Resistant Carbon

Steel Flat Products from Korea: Final Results of Antidumping Duty Administrative Reviews, 64 FR 12927 at 12935 (March 16, 1999).

Export Price/Constructed Export Price

We calculated the price of United States sales based on CEP, in accordance with section 772(b) of the Act, except for U.S. sales made by PSI, which we have classified as "export price" sales. The Act defines the term "constructed export price" as "the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (c) and (d)." In contrast, "export price" is defined as "the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States." Sections 772(a)-(b) of the Act (emphasis added). In the instant case, the record establishes that Dongbu, the POSCO Group, and Union's affiliates in the United States were in most instances the parties first contacted by unaffiliated U.S. customers desiring to purchase the subject merchandise and also that the sales affiliates in question signed the sales contracts and performed other selling functions. Respondents have submitted no new evidence warranting a change in our finding in the third and fourth reviews—based in part on exhaustive sales verifications—that sales by Dongbu, Union and the POSCO Group sales by POSCO and POCOS are CEP transactions. See *Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Final Results of Antidumping Duty Administrative Reviews*, 64 FR 12927, 12937 (March 16, 1999).

We preliminarily determine that the POSCO Group's U.S. sales made by PSI are EP sales. The U.S. affiliate, Pohang Steel America Corp. ("POSAM"), was not involved in the negotiations, and in fact, had no communication with the U.S. customer until the purchase order was finalized. Given the information from the record indicating PSI's substantial involvement in those sales and POSAM's absence of any involvement until the very end of the sales process (see, e.g., Section IVA of the Sales Verification report), we have classified PSI's sales as EP sales. For Dongbu, Union, and POSCO Group sales by POSCO and POCOS, we calculated CEP based on packed prices to

unaffiliated customers in the United States. Where appropriate, we made deductions from the starting price for foreign inland freight, foreign inland insurance, foreign brokerage and handling, international freight, marine insurance, U.S. inland freight, U.S. brokerage and handling, U.S. Customs duties, commissions, credit expenses, warranty expenses, inventory carrying costs incurred in the United States, and other indirect selling expenses. Our calculation of indirect selling expenses does not include interest expenses of the U.S. sales affiliates because we have preliminarily determined that virtually all of those interest expenses relate to the financing of receivables or to borrowings involving non-subject merchandise. Pursuant to section 772(d)(3) we made an adjustment for CEP profit. Where appropriate, we added interest revenue to the gross unit price. Consistent with the Department's normal practice, we added duty drawback to the gross unit price. We did so in accordance with the Department's long-standing test, which requires: (1) that the import duty and rebate be directly linked to, and dependent upon, one another; and (2) that the company claiming the adjustment demonstrate that there were sufficient imports of imported raw materials to account for the duty drawback received on the exports of the manufactured product.

Additionally, for Dongbu, we revised the calculation of U.S. indirect selling expenses to reflect our determination that a certain category of expenses should not be allocated across both subject and non-subject merchandise but, rather, should be considered to only apply to the former. Our original questionnaire requested that Dongbu provide a list of the overhead expenses incurred, and Dongbu's initial response included a category called "Others" (see pages C-47, C-48, and Exhibit C-19 of Dongbu's November 24, 1998 Section C response). Our first supplemental questionnaire asked Dongbu to indicate for all categories the basis for assigning costs to subject and non-subject merchandise, and Dongbu's response does not appear to clarify the types of expenses, and their applicability to subject vs. non-subject merchandise, included under the category "Others" (see page 31 and Exhibit C-31 of Dongbu's April 22, 1999 supplemental questionnaire response). Finally, in our most recent supplemental questionnaire we asked Dongbu to provide an explanation for each type of common expense including the category "other" common expenses, and to provide a list indicating each type of expense

included in the "other" expense category, but Dongbu did not provide such information (see pages 28-29 of Dongbu's July 6, 1999 supplemental questionnaire response). For additional analysis, see the August 31, 1999 Preliminary Results Analysis Memorandum from Juanita Chen through James Doyle to the File.

For PSI's U.S. sales, we calculated EP based on the packed prices to unaffiliated purchasers in the United States. We made deductions for foreign inland freight, brokerage and handling, ocean freight, marine insurance, U.S. inland freight (where applicable), U.S. brokerage and wharfage charges (where applicable) and U.S. Customs duties in accordance with section 772(c)(2)(A) of the Act. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act. This is not a change from the fourth reviews, as PSI did not sell subject merchandise to the United States during that period of review.

Normal Value

Based on a comparison of the aggregate quantity of home-market and U.S. sales, we determined that the quantity of the foreign like product sold in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States, pursuant to section 773(a) of the Act. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade.

Where appropriate, we deducted rebates, discounts, inland freight (offset, where applicable, by freight revenue), inland insurance, and packing. We made adjustments to NV, where appropriate, for differences in credit expenses (offset, where applicable, by interest income), warranty expenses, post-sale warehousing, and differences in weight basis. We also made adjustments, where appropriate, for home-market indirect selling expenses to offset U.S. commissions in CEP comparisons.

We also increased NV by U.S. packing costs in accordance with section 773(a)(6)(A) of the Act. We made adjustments to NV for differences in cost attributable to differences in physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act. In accordance with the Department's practice, where all contemporaneous matches to a U.S. sale observation resulted in difference-in-merchandise adjustments exceeding

20 percent of the cost of manufacturing ("COM") of the U.S. product, we based NV on constructed value ("CV").

Differences in Levels of Trade

In accordance with section 773(a)(1)(B)(i) of the Act and the Statement of Administrative Action ("SAA") at 829-831, to the extent practicable, the Department will calculate NV based on sales at the same level of trade as the U.S. sales (either EP or CEP). When the Department is unable to find sales in the comparison market at the same level of trade as the U.S. sale(s), the Department may compare sales in the U.S. and foreign markets at different levels of trade, and adjust NV if appropriate. The NV level of trade is that of the starting-price sales in the home market. As the Department explained in *Gray Portland Cement and Clinker From Mexico: Final Results of Antidumping Duty Administrative Review*, 62 FR 17148, 17156 (April 9, 1997), for both EP and CEP, the relevant transaction for the level-of-trade analysis is the sale from the exporter to the importer.

To determine whether comparison market NV sales are at a different LOT than EP or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and unaffiliated customer. If the comparison-market sales are at a different level of trade 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 level of trade of the export transaction, we make a level-of-trade adjustment under section 773(a)(8)(A) of the Act. Finally, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP-offset provision). See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731, 61732 (November 17, 1997), and *Granular Polytetrafluoroethylene Resin From Italy: Preliminary Results of Antidumping Duty Administrative Review*, 63 FR 25826 (May 11, 1998).

A. Dongbu

In its questionnaire responses, Dongbu states that there were no significant differences in its selling activities by customer categories within or between each market. Therefore, Dongbu states that it is not

distinguishing between levels of trade for these reviews and that it is not claiming a level of trade adjustment nor claiming a CEP offset. Our analysis of the questionnaire responses detailing the selling functions provided by Dongbu in the U.S. and home market leads us to conclude that sales within or between each market are not made at different levels of trade. We also note that the selling functions described by Dongbu in these reviews are consistent with the selling functions described for the previous reviews of these orders, in which we determined no distinct levels of trade. See *Notice of Preliminary Results: Certain Cold-Rolled Carbon Steel Flat Products and Certain Corrosion-Resistant Carbon Steel Flat Products from Korea*, 63 FR 48173, 48178 (September 9, 1998). Accordingly, we preliminarily find that all sales in the home market and the U.S. market were made at the same level of trade. Therefore, all price comparisons are at the same level of trade and any adjustment pursuant to section 773(a)(7) of the Act is unwarranted.

B. Union

Union argues that, with the Department's classification of Union's U.S. sales as CEP sales, and its view of Dongkuk International Inc.'s ("DKA's") role in the sales process as more than ancillary for the U.S. sales, it is incumbent on the Department to recognize that U.S. sales and home market sales are at different levels of trade. Furthermore, Union notes that because the difference in the level of trade cannot be quantified, Union is eligible for a CEP offset. Union states that home market sales are at a different level of trade from CEP sales, a level representing a more advanced stage of distribution. Union asserts that the Department's practice in a CEP situation is to compare the level of trade of the U.S. sale after the deduction of the selling expenses with the level of trade of the home market product with no deduction; therefore, the indirect selling expenses incurred for the selling functions associated with the U.S. sale, *i.e.*, the contact, and other ancillary functions (in particular the arranging of credit terms) have been deducted from the U.S. sales price, but remain in the home market price.

In identifying the level of trade for home market sales, we consider the selling functions reflected in the starting price of home market sales before any adjustments, pursuant to section 773(a)(1)(B)(i) of the Act. Union's description of selling functions in the home market makes no distinction with

regard to customer categories or channels of trade, and there is no evidence on the record indicating that such functions vary within the home market. In identifying the level of trade for CEP sales, we considered only the selling activities reflected in the U.S. price after deduction of expenses and profit under section 772(d) of the Act.

We find that Union performed similar functions for its U.S. sales to DKA as it did for its sales to home market customers. Although the expenses related to DKA's activities have been deducted from CEP, the expenses incurred by Union are still reflected in CEP. Because we find there are no substantive differences in selling functions provided by Union for its home market customers as compared to DKA, there is no difference in level of trade and, therefore, no basis for granting a level of trade adjustment or a CEP offset. This is consistent with our treatment of level of trade for Union in prior administrative reviews. See *Notice of Preliminary Results: Certain Cold-Rolled Carbon Steel Flat Products and Certain Corrosion-Resistant Carbon Steel Flat Products from Korea*, 63 FR 48173, 48178 (September 9, 1998).

C. The POSCO Group

In its questionnaire responses, the POSCO Group stated that its home-market sales by affiliated service centers were at a different level of trade than its other home-market sales and its U.S. sales (regardless of the customer category). The respondent indicated that the service centers provide certain selling functions to all of their customers, while POSCO, POCOS and PSI provide a different set of selling functions to all of their customers (including the service centers).

In order to confirm the presence of separate levels of trade within or between the U.S. and home markets, we examined the respondent's questionnaire responses for indications of substantive differences in selling and marketing functions, and reviewed this issue during the sales verification in Korea. See the preamble to section 351.412 of the Department's new regulations (62 FR at 27371).

In its October 30, 1998 Section A response, the POSCO Group claimed that there are two channels of distribution in the home market: one channel of distribution consists of sales made by POSCO, POCOS, and PSI, while they claim that a second channel of distribution consists of the sales made by the affiliated service centers. Our analysis of the questionnaire responses and review of the sales functions at the service center and sales

verifications of the POSCO Group leads us to conclude that the cumulative functions of the POSCO Group and the service centers for sales made by the service centers are essentially the same as the cumulative functions of the POSCO Group for sales made by the POSCO Group. The only substantive additional function that the affiliated service centers perform is the slitting and shearing of coils, which is not a sales function, but rather a manufacturing operation. See, e.g., the September 9, 1997 Preliminary Results Analysis Memorandum from Steve Bezirgianian to Richard Weible, the August 10, 1999 Sales Verification Report from Steve Bezirgianian, Becky Hagen, and Marlene Hewitt through James C. Doyle to the File, and the August 2, 1999 Service Center Verification Report from Steve Bezirgianian, Becky Hagen, and Marlene Hewitt through James C. Doyle to Edward Yang. Furthermore, the Department finds that POSCO, POCOS, and PSI all provide comparable services to their customers in each market. Thus, our analysis of the questionnaire responses and the review of sales functions at the service center and sales verifications leads us to conclude that sales within or between each market are not made at different levels of trade. Accordingly, we find that all sales in the home market and the U.S. market were made at the same level of trade. Therefore, all price comparisons are at the same level of trade and an adjustment pursuant to section 773(a)(7) is unwarranted.

Cost-of-Production/Constructed Value

At the time the questionnaires were issued in these reviews, the third annual administrative reviews were the most recently completed segments of these proceedings in which each of the three respondents had participated. In accordance with section 773(b)(2)(A)(ii) of the Act, because we disregarded certain below-cost sales by each of the three respondents in those reviews, we found reasonable grounds in these reviews to believe or suspect that those respondents made sales in the home market at prices below the cost of producing the merchandise. We therefore initiated cost investigations with regard to Dongbu, Union, and the POSCO Group, in order to determine whether the respondents made home-market sales during the POR at prices below their COP within the meaning of section 773(b) of the Act.

Before making concordance matches, we conducted the COP analysis described below.

A. Calculation of COP

We calculated the COP for Dongbu, Union, and the POSCO Group based on the sum of each respondent's cost of materials and fabrication for the foreign like product, plus amounts for home-market selling expenses, general, and administrative expenses ("SG&A"), and packing costs in accordance with section 773(b)(3) of the Act.

Dongbu

We adjusted Dongbu's cost of materials and fabrication so that net currency and translation losses are allocated based on their relationship to Dongbu Steel costs rather than consolidated costs of goods sold (see Exhibits D-27 and C-31 of Dongbu's April 22, 1999 supplemental questionnaire response). For additional analysis, see the August 31, 1999 Preliminary Results analysis memo from Juanita Chen through James Doyle to the File.

Union

We made adjustments to Union's fixed overhead ("FOH") due to our recalculation of depreciation, consistent with the Department's treatment of depreciation for the previous review period. See 64 FR 12927, 12944 (March 16, 1999). See also the August 31, 1999 Analysis Memorandum from Marlene Hewitt through James Doyle to the File.

The POSCO Group

We adjusted the reported costs to reflect differences in production costs associated with quality and coating weight. Also, in order to correct a clerical coding error in reported minimum thickness, we calculated the correct minimum thickness by taking the reported nominal thickness, then reassigning this minimum thickness value to the proper minimum thickness band as required by the Department's questionnaire. We reassigned the observations with corrected minimum thicknesses to the appropriate CONNUM. We increased all reported costs to account for missing cost centers in the POSCO Group's cost buildups. See the August 31, 1999 Preliminary Results Analysis Memorandum from Becky Hagen through James Doyle to the File. Finally, the Department notes that it appears that a small portion of the POSCO Group's home market database was miscoded for yield strength. We will examine the accuracy and extent of this problem for the final determination.

We have conducted an analysis of the POSCO Group's startup adjustment claim for the preliminary results. The POSCO Group has claimed that the installation of a new production line at

one of its two works constitutes a new facility, and claimed startup adjustment should be applied to products manufactured on this new line. See the December 4, 1998 Section D Questionnaire Response at page 32. We preliminarily find that this new line does not constitute a "new production facility," as required by the startup adjustment provision. See section 773(f)(1)(C)(ii)(I) of the Act. The SAA sets a high standard for startup adjustment claims when it states that, "'New production facilities' includes the substantially complete retooling of an existing plant. Substantially complete retooling involves the replacement of nearly all production machinery or the equivalent rebuilding of existing machinery." SAA at 836 (emphasis added). Therefore, the startup adjustment should only be applied when substantial modifications have been made to an entire production plant.

When determining whether substantial modifications have been made the Department must consider, along with other factors, the extent to which the improvements relate to the total production process. In the instant case, the new line is but one of many processing steps necessary to produce corrosion-resistant products performed by the POSCO Group. We also note that, although the equipment in question is large and expensive, its relative size to the other production equipment involved in the production of cold-rolled products at the POSCO Group is small. Moreover, the line produces merchandise similar to that manufactured on numerous other lines by the POSCO Group. Therefore, we do not believe that the installation of this equipment constitutes the substantial retooling of one of the POSCO Group's facilities and, therefore, does not meet the standard established in the statute.

Because section 773(f)(1)(C) of the Act establishes that both prongs of the test must be met before a startup adjustment is warranted, this finding is sufficient to deny the POSCO Group's claim. Therefore, we need not address the POSCO Group's arguments concerning technical factors that limit commercial production levels (see Notice of Final Determination of Sales at Not Less Than Fair Value: Collated Roofing Nails from Korea, 62 FR 51420, 51426 (October 1, 1997)).

B. Test of Home-Market Prices

We used the respondents' weighted-average COP, as adjusted (see above), for the period July 1997 to June 1998. We compared the weighted-average COP figures to home-market sales of the

foreign like product as required under section 773(b) of the Act. In determining whether to disregard home-market sales made at prices below the COP, we examined whether (1) within an extended period of time, such sales were made in substantial quantities, and (2) such sales were made at prices which permitted the recovery of all costs within a reasonable period of time. On a product-specific basis, we compared the COP to the home-market prices (not including VAT), less any applicable movement charges, discounts, and rebates.

C. Results of COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we 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 POR were at prices less than the COP, we found that sales of that model were made in "substantial quantities" within a reasonable period of time, in accordance with sections 773(b)(2)(B) and (C) of the Act, and were not at prices which would permit recovery of all costs within an extended period of time, in accordance with section 773(b)(2)(D) of the Act. In such cases, we disregarded the below-cost sales in accordance with section 773(b)(1) of the Act.

D. Calculation of CV

In accordance with section 773(e) of the Act, we calculated CV for Dongbu, Union, and the POSCO Group based on the sum of respondents' cost of materials, fabrication, SG&A, including interest expenses, U.S. packing costs, and profit. In accordance with section 773(e)(2)(A) of the 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. As noted in the "Calculation of COP" section of this notice, we made adjustments to the reported COMs of the POSCO Group and Union. We also made adjustments, where appropriate, for home-market indirect selling expenses to offset U.S. commissions in CEP comparisons.

Currency Conversion

Our preliminary analysis of Federal Reserve dollar-won exchange rate data

shows that the won declined rapidly at the end of 1997, losing over 40% of its value between the beginning of November and the end of December. The decline was, in both speed and magnitude, many times more severe than any change in the dollar-won exchange rate during the previous eight years. Had the won rebounded quickly enough to recover all or almost all of the initial loss, the Department might have been inclined to view the won's decline at the end of 1997 as nothing more than a sudden, but only momentary, drop, despite the magnitude of that drop. As it was, however, there was no significant rebound. Therefore, we have preliminarily determined that the decline in the won at the end of 1997 was so precipitous and large that the dollar-won exchange rate cannot reasonably be viewed as having simply fluctuated during this time, *i.e.*, as having experienced only a momentary drop in value. Therefore, in making this preliminary determination, the Department used daily rates exclusively for currency conversion purposes for comparison market sales matched to U.S. sales occurring between November 1 and December 31, 1997. For sales occurring after December 31, but before March 1, 1998, the Department continued to rely on the standard exchange rate model, but used as the benchmark rate a (stationary) average of the daily rates over this period. In this manner, we used an "up-to-date" (post-precipitous drop) benchmark, but at the same time avoided undue day-to-day fluctuations in the exchange rates used. See Notice of Final Determination of Sales at Less Than Fair Value: Emulsion Styrene-Butadiene Rubber from the Republic of Korea, 64 FR 14865, 14868 (March 29, 1999) and Notice of Preliminary Results and Partial Recission of Antidumping Duty Administrative Review: Steel Wire Rope from Korea, 63 FR 67662, 67665 (December 8, 1998), unchanged at Steel Wire Rope from Korea; Final Results of Antidumping Duty Administrative Review and Partial Recission of Antidumping Administrative Review, 64 FR 17995 (April 13, 1999).

Preliminary Results of the Reviews

As a result of these reviews, we preliminarily determine that the following weighted-average dumping margins exist:

Producer/Manufacturer/Exporter	Weighted-average margin
Certain Cold-Rolled Carbon Steel Flat Products	
Dongbu	0.00
The POSCO Group	0.10
Union	0.00
Certain Corrosion-Resistant Carbon Steel Flat Products	
Dongbu	1.29
The POSCO Group	0.45
Union	0.17

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 five days after the publication of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Case briefs must be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs. Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issue, and (2) a brief summary of the argument. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs, that is, thirty-seven days after the date of publication of these preliminary results. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing not later than 120 days after the date of publication of these preliminary results.

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b), we have calculated exporter/importer-specific assessment rates. We divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. We will direct the U.S. Customs Service to assess the resulting percentage margin against the entered customs values for the subject

merchandise on each of that importer's entries under the relevant order during the review period.

Cash Deposit

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) the cash deposit rate for each respondent will be the rate established in the final results of these administrative reviews (except that no deposit will be required for firms with zero or *de minimis* margins, *i.e.*, margins lower than 0.5 percent); (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in these reviews, a prior review, or the original LTFV investigations, 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 these or any prior reviews, the cash deposit rate will be 14.44 percent (for certain cold-rolled carbon steel flat products) and 17.70 percent (for certain corrosion-resistant carbon steel flat products), the "all others" rate established in the LTFV investigations. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative reviews.

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.

These administrative reviews and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 31, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99-23325 Filed 9-7-99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-421-804]

Cold-Rolled Carbon Steel Flat Products From the Netherlands: 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: In response to requests from the petitioners and respondent, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on cold-rolled carbon steel flat products from the Netherlands. The review covers one manufacturer/exporter of the subject merchandise to the United States during the period August 1, 1997 through July 31, 1998.

We preliminarily determine that a *de minimis* dumping margin exists for this period of review. If these preliminary results are adopted in our final results of review, we will instruct the U.S. Customs Service to assess antidumping duties on entries of Hoogovens merchandise during the period of review, in accordance with the Department's regulations (19 CFR 353.6).

Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument (no longer than five pages, including footnotes).

EFFECTIVE DATE: September 8, 1999.

FOR FURTHER INFORMATION CONTACT: Ilissa A. Kabak or Robert M. James, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482-1395 or 482-5222, respectively.

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Tariff Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act by the Uruguay Round Agreements Act of 1994 (URAA). In addition, unless otherwise indicated, all references to the

Department's regulations are to 19 CFR Part 351 (1998).

SUPPLEMENTARY INFORMATION:

Background

The Department of Commerce published an antidumping duty order on cold-rolled carbon steel flat products from the Netherlands on August 19, 1993 (58 FR 44172). The Department published a notice of "Opportunity To Request Administrative Review" of the antidumping duty order for the 1997/1998 review period on August 11, 1998 (63 FR 42821). On August 31, 1998, both the respondent, Hoogovens Staal BV (Hoogovens), and petitioners (Bethlehem Steel Corporation, U.S. Steel Company (a Unit of USX Corporation), Ispat/Inland Steel, Inc., LTV Steel Company, and National Steel Corporation) filed requests for review. We published a notice of initiation of the review on September 29, 1998 (63 FR 51893).

Due to the complexity of the issues involved in this case, the Department extended the time limit for completion of the preliminary results until August 31, 1999, in accordance with section 751(a)(3)(A) of the Tariff Act. The deadline for the final results of this review will continue to be 120 days after the date of publication of this notice. The Department is conducting this review in accordance with section 751 of the Tariff Act.

Scope of the Review

The products covered by this review include cold-rolled (cold-reduced) carbon steel flat-rolled products, of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished or coated with plastics or other nonmetallic substances, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule (HTS) under item numbers 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,