

Verification

As provided in section 782(i) of the Act, we will verify all information relied upon in making our final determination.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise from Romania entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

Exporter/manufacturer	Weighted-average margin percentage
Sota Communication Company	13.75
Metal Business International S.R.L.	10.99
Romania-wide rate	12.34

The Romania-wide rate applies to all entries of the subject merchandise except for entries from exporters/producers that are identified individually above.

ITC Notification

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

Public Comment

Case briefs in six copies must be submitted to the Assistant Secretary for Import Administration no later than March 20, 2000, and rebuttal briefs no later than March 27, 2000. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on March 23, 2000, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington,

DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination not later than 135 days after the publication of this notice in the **Federal Register**.

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

Dated: January 28, 2000.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-851-802]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe From the Czech Republic

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

EFFECTIVE DATE: February 4, 2000.

FOR FURTHER INFORMATION CONTACT: Dennis McClure or John Brinkmann, at (202) 482-0984 or (202) 482-4126, respectively; AD/CVD Enforcement, Office VI, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

The Applicable Statute and Regulations

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

indicated, all citations to the Department of Commerce's (the Department's) regulations refer to the regulations codified at 19 CFR part 351 (April 1999).

Preliminary Determination

We preliminarily determine that certain small diameter carbon and alloy seamless standard, line, and pressure pipe (seamless pipe) from the Czech Republic are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the *Suspension of Liquidation* section of this notice.

Case History

This investigation was initiated on July 20, 1999.¹ See *Initiation of Antidumping Duty Investigations: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan and Mexico; and Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From the Czech Republic, Japan, the Republic of South Africa and Romania*, 64 FR 40825 (July 28, 1999) (*Initiation Notice*). Since the initiation of the investigation, the following events have occurred:

As of the date of initiation of this investigation, the Czech Republic was still considered a non-market economy (NME) country. On July 23, 1999, the Department received a letter from the Czech Ambassador, on behalf of the Government of the Czech Republic, requesting revocation of the Czech Republic's NME status, under section 771(18)(A) of the Act, in the context of this investigation. On August 5, 1999, the Department initiated a formal inquiry into the Czech Republic's status as a NME. On August 12, 1999, the Department selected Nova Hut, a.s. (Nova Hut), the sole producer of the subject merchandise in the Czech Republic, as a mandatory respondent, and issued section A of the NME and market economy² antidumping questionnaires to Nova Hut. On August 16, 1999, the Department received comments from the Czech Government and petitioners addressing the criteria necessary to revoke the Czech Republic's NME status.

¹ The petitioners in this investigation are Gulf States Tube, a Division of Vision Metals, Inc.; Koppel Steel Corporation; Sharon Tube Corporation; USS/Kobe Steel Corporation; U.S. Steel Group, a unit of USX Corporation; and the United Steelworkers of America.

² Both versions of the questionnaire were issued because Nova Hut had requested that the NME status of the Czech Republic be revoked.

On August 23, 1999, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of the products subject to this antidumping investigation are materially injuring the U.S. industry. See *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, Japan, Mexico, Romania, and South Africa*, 64 FR 46953 (August 27, 1999).

On August 17, 1999, we issued the remainder of the NME and market economy questionnaires to Nova Hut.

While Nova Hut responded to section A of the Department's NME questionnaire on September 9, 1999, no further NME responses were received. Nova Hut submitted its responses to Department's market economy questionnaire on September 9 and October 14, 1999.

On November 2, 1999, the petitioners requested that the Department initiate a below-cost sales investigation. After examining the petitioners' request, on November 5, 1999, the Department initiated a below-cost sales investigation and requested that Nova Hut respond to the Department's cost of production questionnaire. See Memorandum from John Brinkmann to David Mueller, *Allegation of Sales Below the Cost of Production for Nova Hut, a.s. (Cost Memo)*, dated November 5, 1999, on file in the Central Records Unit (CRU), room B-099 of the Main Commerce Department Building. Nova Hut submitted its response to the Department's cost of production questionnaire on December 13, 1999.

We issued supplemental questionnaires where appropriate. Responses to those supplemental questionnaires were timely filed between November 12, 1999 and January 6, 2000 and we have incorporated the information provided in those responses into this preliminary determination.

On November 10, 1999, the petitioners made a timely request that the Department postpone the preliminary determination in this investigation and the companion investigations from Romania and Mexico on the grounds that these investigations are extraordinarily complicated. On November 17, 1999, in accordance with section 733(c)(1) of the Act we extended the deadline for the preliminary determination to January 28, 2000. See *Notice of Postponement of Preliminary Antidumping Duty Determinations: Certain Small and Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From the Czech Republic, Romania*

and Mexico, 64 FR 66168 (November 24, 1999).

On December 10, 1999, the Department revoked the Czech Republic's NME status. See Memorandum to Robert S. LaRussa, *Antidumping Investigation of Certain Small Diameter Carbon and Alloy Seamless Standard Line and Pressure Pipe from the Czech Republic: Non-Market Economy ("NME") Country Status (Czech Republic: NME Status)*, dated November 29, 1999, on file in the CRU and the section on *Revocation of the Czech Republic's Non-Market Economy Status*, below. Thereafter, this investigation continued under the Department's market economy procedures.

On January 18, 2000, the petitioners submitted comments regarding Nova Hut's response to the Department's section D questionnaire. We note that the petitioners' submission was not received in sufficient time to be considered for purposes of the Department's preliminary determination.³ However, we intend to examine these comments in detail and, if necessary, we will issue an additional questionnaire to clarify or supplement information previously submitted by Nova Hut.

On January 19 and 20, 2000, in response to the Department's section D supplemental questionnaire, Nova Hut provided additional information from its affiliated suppliers. On January 21, 2000, Nova Hut responded to the petitioners' January 18, 2000, comments. As explained above, we will take these comments into consideration for the final determination.

Although the deadline for this determination was originally January 26, 2000, due to the Federal Government shutdown on January 25 and 26, 2000, resulting from inclement weather, the time frame for issuing this determination has been extended by two days.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such

postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On October 29, 1999, Nova Hut requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until not later than 135 days after the date of the publication of an affirmative preliminary determination in the **Federal Register**. Nova Hut also included a request to extend the provisional measures to not more than six months. Therefore, in accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) the requesting exporter accounts for a significant portion of exports of the subject merchandise, and (3) no compelling reason for denial exists, we are granting the respondent's request and are postponing the final determination until not later than 135 days after the date of the publication of the preliminary determination.

Period of Investigation

The period of this investigation (POI) comprises Nova Hut's four most recent fiscal quarters prior to the filing of the petition (*i.e.*, April 1, 1998, through March 31, 1999).

Scope of Investigation

For purposes of this investigation, the products covered are small diameter seamless carbon and alloy (other than stainless) steel standard, line, and pressure pipes and redraw hollows produced, or equivalent, to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and the American Petroleum Institute (API) 5L specifications and meeting the physical parameters described below, regardless of application. The scope of this investigation also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters described below, regardless of specification. Specifically included within the scope of this investigation are seamless pipes and redraw hollows, less than or equal to 4.5 inches (114.3 mm) in outside diameter, regardless of wall-thickness, manufacturing process

³ Given that the Department did not revoke the Czech Republic's NME status until December 10, 1999, Nova Hut did not respond to the Department's December 22, 1999 supplemental section D questionnaire until January 6, 2000. As a result, the petitioners did not submit their comments regarding this response until January 18, 2000.

(hot finished or cold-drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish.

The seamless pipes subject to this investigation are currently classifiable under the subheadings 7304.10.10.20, 7304.10.50.20, 7304.31.30.00, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the HTSUS.

Specifications, Characteristics, and Uses: Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the ASTM A-106 standard may be used in temperatures of up to 1000 degrees Fahrenheit, at various ASME code stress levels. Alloy pipes made to ASTM A-335 standard must be used if temperatures and stress levels exceed those allowed for ASTM A-106. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard.

Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements. If exceptionally low temperature uses or conditions are anticipated, standard pipe may be manufactured to ASTM A-333 or ASTM A-334 specifications.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipe lines. Seamless line pipes are produced to the API 5L specification.

Seamless water well pipe (ASTM A-589) and seamless galvanized pipe for fire protection uses (ASTM A-795) are used for the conveyance of water.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53, API 5L-B, and API 5L-X42 specifications. To avoid maintaining separate production runs and separate inventories, manufacturers

typically triple or quadruple certify the pipes by meeting the metallurgical requirements and performing the required tests pursuant to the respective specifications. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple or quadruple certified pipes is in pressure piping systems by refineries, petrochemical plants, and chemical plants. Other applications are in power generation plants (electrical-fossil fuel or nuclear), and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. A minor application of this product is for use as oil and gas distribution lines for commercial applications. These applications constitute the majority of the market for the subject seamless pipes. However, ASTM A-106 pipes may be used in some boiler applications.

Redraw hollows are any unfinished pipe or "hollow profiles" of carbon or alloy steel transformed by hot rolling or cold drawing/hydrostatic testing or other methods to enable the material to be sold under ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications.

The scope of this investigation includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, and whether or not also certified to a non-covered specification. Standard, line, and pressure applications and the above-listed specifications are defining characteristics of the scope of this investigation. Therefore, seamless pipes meeting the physical description above, but not produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications shall be covered if used in a standard, line, or pressure application.

For example, there are certain other ASTM specifications of pipe which, because of overlapping characteristics, could potentially be used in ASTM A-106 applications. These specifications generally include ASTM A-161, ASTM A-192, ASTM A-210, ASTM A-252, ASTM A-501, ASTM A-523, ASTM A-524, and ASTM A-618. When such pipes are used in a standard, line, or pressure pipe application, such products are covered by the scope of this investigation.

Specifically excluded from the scope of this investigation are boiler tubing

and mechanical tubing, if such products are not produced to ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications and are not used in standard, line, or pressure pipe applications. In addition, finished and unfinished oil country tubular goods (OCTG) are excluded from the scope of this investigation, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in this scope when used in standard, line or pressure applications.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the merchandise under investigation is dispositive.

Class or Kind

From August through November 1999, the Department received submissions from importers, respondents, and consumers in the companion investigations involving small and large diameter seamless pipe from Japan, requesting that the subject merchandise be considered more than one class or kind. Specifically, those parties requested that the Department subdivide each of these investigations into the following separate classes or kinds of merchandise: (1) Commodity grade carbon seamless standard, line and pressure pipe; (2) alloy seamless pipe; and (3) high-strength seamless line pipe. On November 8, 1999, the petitioners rebutted these arguments. We have preliminarily determined that there is a single class or kind of merchandise for small diameter pipe and another distinct single class or kind of merchandise for large diameter pipe. For further discussion on this topic see the *Notice of Preliminary Determinations of Sales at Less Than Fair Value: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan and Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan and the Republic of South Africa*, FR 64 69721 (December 14, 1999).

Product Comparisons

In accordance with section 771(16) of the Act, all products produced by Nova Hut covered by the description in the *Scope of Investigation* section, above, and sold in the Czech Republic during the POI, are considered to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We have relied on six criteria to match U.S. sales

of subject merchandise to comparison-market sales of the foreign like product: specification/grade, manufacturing process, outside diameter, wall thickness, surface finish, and end-finish. These characteristics have been weighted by the Department, where appropriate. 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 as listed above.

Revocation of the Czech Republic's Non-Market Economy Status

In determining whether to revoke NME-country status under section 771(18)(A) of the Act, the Department must take into account the following factors under section 771(18)(B): (1) The extent to which the currency of the foreign country is convertible into the currency of other countries; (2) the extent to which wage rates in the foreign country are determined by free bargaining between labor and management; (3) the extent to which joint ventures or other investments by firms of other foreign countries are permitted in the foreign country; (4) the extent of government ownership or control of the means of production; (5) the extent of government control over the allocation of resources and over the price and output decisions of enterprises; and (6) such other factors as the administering authority considers appropriate.

Since its emergence as an independent, democratic state, the Czech Republic has made significant progress in its transformation into a market economy country. The Czech currency is now fully convertible. Wages in the Czech Republic are largely determined by free bargaining between labor and management. Trade has been liberalized and tariffs reduced, and the Czech government is actively promoting foreign investment and business ventures. Industry, agriculture and services have all been privatized, and the power to make decisions related to the allocation of resources, and over pricing and output decisions, now rests with the private sector. Based on the preponderance of evidence related to economic reforms in the Czech Republic required under section 771(18)(B) of the Act, the Department revoked the Czech Republic's NME country status, effective January 1, 1998. *See Czech Republic: NME Status.*

Fair Value Comparisons

To determine whether sales of seamless pipe products from the Czech Republic were made in the United

States at LTFV, we compared the export price (EP) to the normal value (NV), as described in the *Export Price* and *Normal Value* sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs for comparison to weighted-average NVs.

Export Price

We used EP methodology in accordance with section 772 of the Act, because Nova Hut sold the subject merchandise directly to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States prior to the date of importation, and CEP methodology was not otherwise, appropriate.

We calculated EP based on documents alongside freight (DAF Polish border) packed prices charged to the first unaffiliated customer in the United States. In accordance with section 772(c)(2) of the Act, we made deductions from the starting price, where appropriate, for movement expenses, including foreign inland freight and export license fees for shipment.

Normal Value

A. Selection of Comparison Markets

Section 773(a)(1) of the Act directs that NV be based on the price at which the foreign like product is sold in the home market, provided that the merchandise is sold in sufficient quantities, and that there is no particular market situation that prevents a proper comparison with the EP. The statute contemplates that quantities will normally be considered insufficient if they are less than five percent of the aggregate quantity of sales of the subject merchandise to the United States.

Nova Hut had a viable home market for seamless pipe products, and reported home market sales data for purposes of the calculation of NV.

In deriving NV, we made certain adjustments to price as detailed in the *Calculation of Normal Value Based on Home-Market Prices* section of this notice, below.

B. Cost of Production Analysis

As noted above, on November 2, 1999, petitioners filed a below-cost sales allegation against Nova Hut. Based on our analysis of the allegation, and in accordance with section 773(b)(2)(A)(i) of the Act, we found reasonable grounds to believe or suspect that sales of seamless pipe, manufactured in the Czech Republic, were made at prices below the cost of production (COP). *See Cost Memo.* As a result, the Department

conducted an investigation to determine whether Nova Hut made home market sales during the POI at prices below their respective COPs, within the meaning of section 773(b) of the Act.

1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of Nova Hut's costs of materials and fabrication for the foreign like product, plus amounts for selling, general, and administrative expenses (SG&A) and packing.

For the COP calculation, we relied on Nova Hut's COP information from the company's December 13, 1999, and January 6, 2000 submissions, except in the following instances:

(1) Nova Hut obtained iron, a major input, from an affiliate. For reporting purposes, Nova Hut valued this input at the weighted-average transfer price.⁴ Based on the transfer price and market price information in Nova Hut's December 12, 1999, and January 6, 2000, cost of production responses, for the preliminary determination, we compared the transfer price of iron to the market price of iron. Because the market price was higher than the transfer price, we increased the transfer price to reflect the market price;

(2) For the minor inputs purchased from affiliated parties (*i.e.*, oxygen and iron ore), we increased the reported transfer prices to reflect the higher market prices;

(3) We revised Nova Hut's general and administrative (G&A) expense rate calculation; and

(4) We revised the financial expense ratio.

See Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination for Nova Hut, dated January 28, 2000, on file in the CRU.

⁴ Sections 773(f)(2) and (3) of the Act prescribe how the Department is to treat affiliated-partly transactions in the calculation of cost of production and constructed value. With respect to major inputs purchased from affiliated suppliers, the Department's practice is that such imports will normally be valued at the higher of the affiliated party's transfer price, the market price of the inputs, or the actual costs incurred by the affiliated supplier in producing the input. (*See, e.g. Fresh Atlantic Salmon From Chile: Final Determination of Sales at Less Than Fair Value*, 63 FR 31426, 31427 June 9, 1998); *Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta from Italy*, 64 FR 6615, 6621-6623 (February 10, 1999). However, Nova Hut was unable to provide the suppliers' cost information in time for consideration in this preliminary determination (this information was provided on January 19 and 20, 2000). Therefore, for this preliminary determination, we used the transfer prices or market prices, as appropriate. We will consider the respondent's suppliers' cost data for the final determination.

2. Test of Home-Market Sales Prices

We compared the weighted-average COP for Nova Hut to home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP within an extended period of time (*i.e.*, a period of one year) in substantial quantities⁵ and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time.

We used the revised COP data from the December 13, 1999, and January 6, 2000, submissions, to compare to the home market prices, less any applicable billing adjustments, discounts, rebates, and indirect selling expenses, on a model-specific basis.

3. Results of the COP Test

Pursuant to section 773(b)(2)(B) of the Act, since we found 20 percent or more of Nova Hut's sales of certain products during the POI were at prices less than the weighted-average COP for the POI, we preliminary determine such sales to have been made in "substantial quantities" within an extended period of time. We also preliminary determine these sales below cost were not made at prices that would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, for purposes of these preliminary results, we have disregarded these below-cost sales and used the remaining above-cost sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act. Although, some products had no above-cost sales, we did not need to use constructed value (CV) as a basis for NV in our comparisons to EP, because all EP sales were matched to similar models of above-cost sales from the home market.

C. Arms-Length Test

Sales to affiliated customers for consumption in the home market which were determined not to be at arm's-length were excluded from our analysis. To test whether these sales were made at arm's-length, we compared the prices of sales of comparison products to affiliated and unaffiliated customers, net of all movement charges, direct selling expenses, discounts, and packing. Pursuant to 19 CFR 351.403 and in accordance with our practice, where the prices to the affiliated party were on average less than 99.5 percent of the

prices to unaffiliated parties, we determined that the sales made to the affiliated party were not at arm's-length. See *Notice of Final Results and Partial Recission of Antidumping Duty Administrative Review: Roller Chain, Other Than Bicycle, From Japan*, 62 FR 60472, 60478 (November 10, 1997) and *Antidumping Duties; Countervailing Duties: Final Rule (Antidumping Duties)*, 62 FR 27295, 27355–56 (May 19, 1997). We included those sales to affiliated customers that passed the arm's-length test in our analysis. (see 19 CFR 351.403).

D. Level of Trade

As set forth in section 773(a)(1)(B)(i) of the Act and in the Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, H.R. Doc. 103–316 at 829–831 (1994), to the extent practicable, the Department will calculate NV based on sales at the same level of trade (LOT) as the U.S. sales.

We examined information on the selling activities associated with each channel of trade in each of Nova Hut's markets. Nova Hut's home market sales were all exworks and its U.S. sales were DAF Polish border. The EP LOT did not differ considerably from the home market LOT with respect to selling activities, although there were slight differences with respect to advertising and warehousing. Therefore, we determine that there was a single LOT in each market and that these LOTs were comparable. For a detailed description of our level-of-trade methodology and findings for this preliminary determination, see the January 28, 2000, *Antidumping Investigation of Certain Small Diameter Seamless Pipe from the Czech Republic: Preliminary Level of Trade Findings Memorandum* on file in the CRU.

E. Calculation of Normal Value Based on Home-Market Prices

We performed price-to-price comparisons using sales of comparable merchandise in the home market that did not fail the cost test. We calculated NV based on "exworks" prices. In addition, we made circumstance-of-sale (COS) adjustments for direct expenses, where appropriate, in accordance with section 773(a)(6)(C)(iii) of the Act. These included imputed credit expenses and billing adjustments. We made no adjustments for discounts or rebates since the invoice price is already net of these discounts and rebates. In accordance with sections 773(a)(6)(A) and (B) of the Act, we deducted home market packing costs and added U.S. packing costs.

We made the following adjustments to Nova Hut's reported home market sales data: (1) We recalculated the imputed credit expenses by adding back to the gross price, on-invoice billing adjustments made for orders that did not meet a minimum quantity requirement; (2) for sales with missing payment dates, the Department set the date of payment as the projected preliminary results date; (3) we deleted seamless pipe products that were sold as an overrun or non-prime product since overrun and non-prime seamless pipe were not sold in the U.S. market; and (4) we used the revised variable cost of manufacturing and total cost of manufacturing reported in the COP database and CV database to calculate our difference in merchandise adjustment, as noted above in the *Cost of Production Analysis* section. See *Preliminary Calculation Memorandum for Nova Hut, a.s.*, dated January 28, 2000, on file in the CRU.

Currency Conversions

We made currency conversions into United States dollars in accordance with section 773A(a) of the Act based on exchange rates in effect on the dates of the United States sales, as provided by the Dow Jones Business Information Services.

Verification

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

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing Customs to suspend liquidation of all entries of seamless pipe products from the Czech Republic, that are entered or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We are also instructing Customs to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

The weighted-average dumping margins are provided below.

Manufacturer/exporter	Margin (percent)
Nova Hut	12.55
All Others	12.55

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our

⁵ In accordance with section 773(b)(2)(C)(i) of the Act, we determined that sales made below the COP were made in substantial quantities if the volume of such sales represented 20 percent or more of the volume of sales under consideration for the determination of NV.

determination. If our final antidumping determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the United States industry. The deadline for that ITC determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination.

Public Comment

Case briefs for this investigation must be submitted no later March 16, 2000. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

If this investigation proceeds normally, we will make our final determination no later than 135 days after the date of publication of this notice in the **Federal Register**.

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

Dated: January 28, 2000.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-702, A-580-813, and A-583-816]

Final Results of Expedited Sunset Reviews: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings From Japan, South Korea, and Taiwan

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

ACTION: Notice of Final Results of Expedited Sunset Reviews: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings from Japan, South Korea and Taiwan.

SUMMARY: On July 1, 1999, the Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on certain stainless steel butt-weld pipe and tube fittings ("pipe and tube fittings") from Japan, South Korea ("Korea"), and Taiwan (64 FR 35588) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and an adequate response filed on behalf of a domestic interested party and inadequate response (in these cases, no response) from respondent interested parties in each of these reviews, the Department decided to conduct expedited reviews. As a result of these reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to the continuation or recurrence of dumping at the levels indicated in the Final Results of Reviews section of this notice.

FOR FURTHER INFORMATION CONTACT:

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Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

EFFECTIVE DATE: February 4, 2000.

Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for conducting sunset reviews are set forth in Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) ("Sunset Regulations"), and 19 CFR part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

Scope

The products covered by these reviews include certain stainless steel butt-weld pipe and tube fittings. These fittings are used in piping systems for chemical plants, pharmaceutical plants, food processing facilities, waste treatment facilities, semiconductor equipment applications, nuclear power plants and other areas. The subject merchandise are currently classifiable under the Harmonized Tariff Schedule of the United States ("HTSUS") item number 7307.23.00.00. The HTSUS item number is provided for convenience and customs purposes. The written description remains dispositive.

With respect to the order on subject imports from Japan and Taiwan, the Department has made several scope rulings. The following products were determined to be within the scope of the order:

Product within scope	Importer	Citation
Superclean or ultraclean pipe fittings from Japan ...	Benkan Corporation	56 FR 1801 (January 17, 1991).
A774 type stainless steel pipe fittings from Taiwan	Tachia Yung Ho	58 FR 28556 (May 14, 1993).
Cast butt-weld pipe fittings from Taiwan	Eckstrom Industries	Eckstrom Ind. v. United States, Court No. 97-10-01913, Slip. Op., 99-99 (Ct. Int'l Trade Sept. 20, 1999).

The following products were determined to be outside the scope of the order: