In the present review, respondent claimed that only one LOT existed and did not request a LOT adjustment. To evaluate LOTs, we examined information regarding the distribution systems in both the U.S. and home market, including the selling functions, classes of customer, and selling expenses.

Respondent reported one LOT in the home market based on two classes of customers: trading companies and end users. We examined the reported selling functions and found that NSC provides the same selling functions to its home market customers regardless of channel of distribution. We preliminarily determine that the selling functions between the reported channels are sufficiently similar to consider them as one LOT in the comparison market.

NSC stated that it sells to one LOT in the United States: trading companies. We compared the selling functions performed at the home market LOT and the LOT in the United States and found them substantially similar. Of the thirteen selling functions reported for home market sales, twelve of the selling functions were identical to U.S. sales. For a further discussion of the Department's LOT analysis, *see Memorandum to the File: Analysis Memorandum for the Preliminary Results of Review*, August, 31 1998.

Preliminary Results of Reviews

As a result of our reviews, we preliminarily determine the weighted-average dumping margins for NSC for the period August 1, 1996 through July 31, 1997 is as follows:

Manufacturer/exporter	Time period	Margin (percent)
NSC	8/1/96–7/31/97	1.93

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Any interested party may request a hearing within 30 days of publication. Any hearing, if requested, will be held 37 days after the date of publication or the first business day thereafter. Case briefs from interested parties may be submitted not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in those briefs, may be filed not later than 35 days after the date of publication of this notice. The Department will publish the final results of this administrative review, including its analysis of issues raised in the case and rebuttal briefs, not later than 120 days after the date of publication of this notice.

Upon issuance of the final results of review, 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 calculated an importer-specific ad valorem duty assessment rate based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total customs value of the sales used to calculate those duties. This rate will be assessed uniformly on all entries of that particular importer during the POR.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a) of the Act: (1) the cash deposit rate for NSC will be that established in the final results of review (except that no deposit will be required for a firm with a zero or de minimis margin, *i.e.*, a margin less than 0.5 percent); (2) for merchandise exported by manufacturers or exporters not covered in this review, but covered in the LTFV investigation or previous review, the cash deposit rate will continue to be the company-specific rate published for the most recent segment; (3) if the exporter is not a firm covered in this review, a previous review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; (4) the cash deposit rate for all other manufacturers or exporters will continue to be the ''all others'' rates established in the LTFV investigations, which was 40.19 percent for corrosion-resistant steel products (see *Final Determination*, 58 FR 37154 (July 9, 1993)). These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

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

Dated: August 31, 1998.

Joseph A. Spetrini

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–24069 Filed 9–4–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–825]

Oil Country Tubular Goods From Korea: Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Preliminary Results of the Antidumping Duty Administrative Review of Oil Country Tubular Goods From Korea.

SUMMARY: In response to a request from SeAH Steel Corporation (''SeAH''), the Department of Commerce (''the Department'') is conducting an administrative review of the antidumping duty order on oil country tubular goods from Korea. This review covers one manufacturer/exporter of the subject merchandise to the United States, SeAH, and the period August 1, 1996 through July 31, 1997, which is the second period of review (''POR'').

We have preliminarily determined that SeAH made sales below normal value (''NV''). If these preliminary results are adopted in our final results of this administrative review, we will instruct the U.S. Customs Service to assess antidumping duties based on the difference between the constructed export price (''CEP'') and the NV.

EFFECTIVE DATE: September 8, 1998.

FOR FURTHER INFORMATION CONTACT: Doug Campau, Steve Bezirganian, or Steven Presing, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–0409, -0162, or -0194, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to 19 CFR part 351 (62 FR 27379, May 19, 1997).

Background

On August 11, 1995, the Department published in the **Federal Register** (60 FR 41058) the antidumping duty order on oil country tubular goods from Korea. On August 4, 1997, the Department published in the **Federal Register** (62 FR 41925) a notice indicating an opportunity to request an administrative review of this order for the period August 1, 1996, through July 31, 1997, and on August 29, 1997, SeAH requested an administrative review for its entries during that period. On September 25, 1997, in accordance with Section 751 of the Act, we published in the **Federal Register** a notice of initiation of an administrative review of this order for the period August 1, 1996 through July 31, 1997 (62 FR 50292).

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of an administrative review if it determines that it is not practicable to complete the review within the statutory time limit of 365 days. On January 30, 1998, the Department published a notice of extension of the time limit for the preliminary results in the review to August 31, 1998. *See Oil Country Tubular Goods from Korea; Extension of Time Limit for Antidumping Duty Administrative Review,* 63 FR 4624.

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

Scope of Review

The merchandise covered by this order are oil country tubular goods (''OCTG''), hollow steel products of circular cross-section, including only oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to American Petroleum Institute (''API'') or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). This scope does not cover casing or tubing pipe containing 10.5 percent or more of chromium, or drill pipe. The OCTG subject to this order are currently classified in the Harmonized Tariff Schedule of the United States (''HTSUS'') under item numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.30.10, 7304.29.30.20, 7304.29.30.30, 7304.29.30.40, 7304.29.30.50, 7304.29.30.60, 7304.29.30.80, 7304.29.40.10, 7304.29.40.20, 7304.29.40.30, 7304.29.40.40, 7304.29.40.50, 7304.29.40.60, 7304.29.40.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.60.15, 7304.29.60.30, 7304.29.60.45, 7304.29.60.60, 7304.29.60.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.20.10.30, 7306.20.10.90, 7306.20.20.00, 7306.20.30.00, 7306.20.40.00, 7306.20.60.10, 7306.20.60.50, 7306.20.80.10, and 7306.20.80.50. The HTSUS item numbers are provided for convenience and Customs purposes. The written description remains dispositive of the scope of this review.

Comparison Market

The Department determines the viability of a comparison market by comparing the aggregate quantity of comparison market and U.S. sales. An exporting country is not considered a viable comparison market if the aggregate quantity of sales of subject merchandise within it amounts to less than five percent of the quantity of sales of subject merchandise into the U.S. during the POR. Section 773(a)(1)(B) of the Act; 19 CFR 351.404. We found Korea was not a viable comparison market because the aggregate quantity of SeAH's sales of subject merchandise within Korea during the POR amounted to less than five percent of the quantity of sales of subject merchandise to the U.S. during the POR.

According to Section 773(a)(1)(B)(ii) of the Act, the price of sales to a third country can be used as the basis for normal value if such price is representative, if the aggregate quantity (or, where appropriate, value) of sales to that country is at least 5 percent of the quantity (or value) of total sales to the United States, and if the Department does not determine that the particular market situation in that country prevents proper comparison with the export price or constructed export price. The volume and value of sales to Myanmar were both found to exceed 5 percent of the volume and value of sales to the United States. We also found the price of SeAH's Myanmar sales to be representative. (*see 1996–1997 Administrative Review of the Antidumping Duty Order on Oil Country Tubular Goods from Korea: Analysis of Petitioners' Allegation of Sales Below the Cost of Production for SeAH Steel Corporation,* at 1–2, which is the January 7, 1998 memorandum from Steve Bezirganian through Steven Presing to Roland MacDonald (''*Cost Allegation Analysis Memorandum*''). Further, we found no reason to determine that the market situation in Myanmar would somehow prevent proper comparison between normal value and export price or constructed export price. *Id.* We therefore found Myanmar to be the appropriate comparison market per section 773(a)(1)(B)(ii) of the Act.

The only comparison market customer was a Korean trading company that resold the merchandise to Myanmar customers. SeAH has a joint venture with that trading company, but it is not involved with the production of subject merchandise. Accordingly, we do not consider SeAH and the Korean trading company to be affiliated for purposes of sales to Myanmar. Further, we have no other information on the record which indicates that this company should be considered an affiliated party pursuant to section 771(33) of the Act, we have preliminarily determined not to treat it as such.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by the respondent, covered by the description in the Scope of the Review section, above, and sold in the comparison market during the POR, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. Where there were no contemporaneous sales of identical merchandise in the comparison market to compare to U.S. sales, we compared U.S. sales to the most similar foreign like product on the basis of the characteristics listed in Appendix V of the Department's September 16, 1997 antidumping questionnaire.

Fair Value Comparisons

To determine whether sales of subject merchandise to the United States were made at less than fair value, we compared the Constructed Export Price (CEP) to the NV, as described in the ''United States 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. transaction prices.

Interested Party Comments

On August 17, 1998, petitioners submitted comments. On August 19, 1998, SeAH submitted comments. Because of the lateness of these submissions, we are not able to fully consider them for these preliminary results.

United States Price

SeAH produced OCTG in Korea and shipped it to the United States. Pusan Pipe America, Inc. (''PPA''), an affiliate of SeAH, was the importer of record. After importation, PPA maintained the merchandise in inventory. PPA sold OCTG to the Panther division of State Pipe and Supply Co. (''State''), a firm that is jointly owned by SeAH and PPA. State, in turn, sold OCTG to unaffiliated U.S. customers, typically after further manufacturing was performed by unaffiliated processors. State invoiced the unaffiliated customers and received payment.

In accordance with section 772(b) of the Act, we used CEP for calculation of the price to the United States because the first sales to unaffiliated customers in the United States were made after importation of the subject merchandise. The starting point for the calculation of CEP was the delivered price to unaffiliated customers in the United States. In accordance with section 772(c)(2) of the Act, we made deductions for movement expenses, including foreign inland freight, ocean freight, marine insurance, foreign and U.S. brokerage and handling, U.S. inland freight, and U.S. customs duties. In accordance with section 772(d)(1) of the Act, we also deducted credit expenses, warranty expenses, early payment discounts and other discounts, warehousing expenses, other direct selling expenses (inspection expenses), indirect selling expenses, and inventory carrying costs. For certain U.S. sales, a domestic court ruled SeAH should be paid for certain disputed receivables due. However, such payments have not yet been received by SeAH. Accordingly, these court-ordered payments have not been taken into account in determining dates of payment. Should SeAH receive those payments prior to the final, we will take them into consideration. For our calculations, we set the payment date (for these U.S. sales) equal to the date of SeAH's last submission (August 19, 1998) and recalculated credit expense accordingly.

In accordance with section 772(c)(1)(b) of the Act, we added duty drawback to the starting price. Pursuant to section 772(d)(3) of the Act, we made an adjustment for CEP profit. In accordance with section 772(d)(2) of the Act, we deducted the cost of further manufacturing where such deduction was appropriate. This deduction for further manufacturing was based on the fees charged by the unaffiliated U.S. processors; SeAH indicated that the reported further processors' charges included processing and repacking, and that it did not include separate G&A or interest expense information related to this further processing because all of the expenses incurred by State and PPA, including the minimal G&A and interest expense associated with their dealings with further processors, were reported as selling expenses. Finally, we made an adjustment for an amount of profit allocated to these expenses, when incurred in connection with economic activity in the United States, in accordance with section 772(d)(3) of the Act.

Normal Value

A. Model Match

In accordance with recent practice, we matched a given U.S. sale to comparison market sales of the next most similar model if all contemporaneous sales of the most comparable model were below cost and discarded from our analysis. The Department uses CV as the basis for NV only when there are no above-cost sales that are otherwise suitable for comparison. Therefore, in this proceeding, in making comparisons in accordance with section 771(16) of the Act, we considered all products sold in the comparison market as described in the ''Scope of Review'' section of this notice, above, that were in the ordinary course of trade for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales of identical merchandise in the comparison market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade, based on the characteristics listed in Sections B and C of our antidumping questionnaire. This methodology is in accordance with the ruling of the Court of Appeals for the Federal Circuit in *CEMEX* vs. *United States,* 133 F.3d 897 (Fed Cir. 1998).

B. Cost of Production and Constructed Value

1. Cost of Production: On December 2, 1997, petitioners alleged that SeAH made comparison market sales of OCTG at prices below the cost of production (''COP'') during the POR. After analyzing petitioners'' allegation (*see* the aforementioned *Cost Allegation Analysis Memo*), the Department determined that it had reasonable grounds to believe or suspect that sales had been made at prices that were less than the COP. Therefore, on January 8, 1998, pursuant to section 773(b) of the Act, the Department initiated a COP investigation of SeAH. We compared sales of the foreign like product in the comparison market with the model-specific COP figure for the POR. In accordance with section 773(b)(3) of the Act, we calculated the COP based on the sum of the costs of materials and fabrication employed in producing the foreign like product, plus selling, general and administrative (SG&A) expenses, including all costs and expenses incidental to placing the foreign like product in condition packed and ready for shipment. In our COP analysis, we used comparison market sales and COP information provided by the respondent in its questionnaire responses.

The API Specification 5CT, to which SeAH states it makes its OCTG, requires that a carload lot (considered to be a minimum of 40,000 pounds, or 18.14 metric tons) meet a negative weight tolerance of 1.75% (*i.e.,* the actual weight of the carload lot can be no less than 100% minus 1.75%, or 98.25%, of the theoretical weight of the carload, the latter being the weight basis for SeAH's sales). The weight tolerance for single lengths of pipe are plus 6.5% and minus 3.5% (*i.e.,* the actual weight of any given pipe must be between 96.5% and 106.5% of the theoretical weight). SeAH has reported weight conversion factors that indicate actual weight was less than 96.5% of theoretical weight, outside of the API weight tolerance. Weight conversion factors are needed to convert SeAH's production costs, which for most OCTG products are maintained on an actual weight basis, to a theoretical weight basis so that the cost and sales data are on a comparable weight basis.

Petitioners argue that these conversion factors cannot, by definition, be greater than 1.75% because SeAH does not know at the time of production whether or not the customers will eventually purchase carload lots. Petitioners state that the Department should therefore deny SeAH's conversion factors in their entirety.

SeAH argues that the minus 1.75% tolerance only applies to OCTG which has an outside diameter of less than 1.660 inches and that it did not produce or make sales of these products to Myanmar or the United States. SeAH asserts that it, State, and their customers do not require that carload lots of the merchandise be weighed, and that it, State, and their customers do not interpret the API specifications to require that the carload lots of the merchandise be weighed. SeAH indicates that it performs a weight-tolerance test for plain-end pipe, to make sure its weight meets the plus 6.5% and minus 3.5% tolerances, and

that it performs the same test again, after the further processing (performed in Korea for Myanmar sales, and by the unaffiliated U.S. further processors for U.S. sales), to assure that the finished goods meet the same tolerances.

We find, based on the record, that the minus 1.75% weight tolerance API specified for carload lots of 5CT applies for all OCTG produced to that specification, not simply to OCTG with an outside diameter of less than 1.660 inches. The specification states that ''[a]ll dimensions shown herein without tolerances are related to the basis for design and are not subject to measurement to determine acceptance or rejection of the product,'' and that ''[e]xceptions are Grades C90, T95, and Q125, which may be furnished in other sizes, weights, and wall thicknesses as agreed between the purchaser and the manufacturer'' (*see* API Specification 5CT at section 7.1, in SeAH's December 24, 1997 submission). The carload lot weight is a dimension (weight) with a tolerance (minus 1.75%), and none of SeAH's Myanmar or U.S. sales were of Grades C90, T95, or Q125.

Nevertheless, it does not appear that the API carload lot weight tolerance would apply to merchandise being transported by ship, which is the case for SeAH's Myanmar sales and for its U.S. sales to PPA. These are the transactions that are relevant for cost purposes; the further manufactured U.S. sales to unaffiliated U.S. customers need not meet any particular specification, or even be categorized as OCTG. SeAH stated that its production meets the minus 3.5% and plus 6.5% tolerance, and there is no clear reason why the actual weight should be less than 96.5% of the theoretical weight if all of SeAH's OCTG is produced to the specification. Consequently, for our preliminary results we have used a conversion factor based on this assumption (except for products for which costs were maintained on a theoretical weight basis, which require no weight conversion).

Hot-rolled steel coil is one of the main material inputs used to manufacture OCTG. SeAH purchased the majority of its hot-rolled steel coil inputs from Pohang Iron and Steel Co., Ltd. (''POSCO''). While SeAH and POSCO are involved in a joint venture that produced non-subject merchandise, we have no other information on the record which indicates that these two companies should be considered affiliated parties pursuant to section 771(33) of the Act. Therefore, we have preliminarily determined that SeAH and POSCO are not affiliated.

After calculating COP, we tested whether comparison market sales of the foreign like product were made at prices below COP and, if so, whether the below-cost sales were made within an extended period of time, in substantial quantities, and at prices that did not permit recovery of all costs within a reasonable period of time. Because each individual price was compared against the POR average COP, any sales that were below cost were also determined not to be at prices which permitted cost recovery within a reasonable period of time. We compared model-specific COPs to the reported comparison market prices, less any applicable movement charges, discounts, and rebates.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given model were at prices less than COP, we did not disregard any below-cost sales of that model because the below-cost sales were not made in substantial quantities within an extended period of time. Where 20 percent or more of a respondent's sales of a given model during the POR were at prices less than the weighted-average COPs for the POR, we disregarded the below-cost sales because they were made within an extended period of time in substantial quantities in accordance with sections 773(b)(2) (B) and (C) of the Act, and were at prices which would not permit recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Act.

2. Constructed Value: In accordance with section 773(a)(4) of the Act, we used constructed value (''CV'') as the basis for NV when there were no above-cost contemporaneous sales of such or similar merchandise in the comparison market. We calculated CV in accordance with section 773(e) of the Act. We included SeAH's cost of materials and fabrication (including packing), SG&A expenses, and profit. *See* section 773(e)(2)(A) of the Act. We applied the same conversion factor methodology as noted in the COP section above. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses 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 comparison market. For selling expenses, we used the weighted-average comparison market selling expenses.

C. Price-to-Price Comparison

Where appropriate, for comparison to CEP, we made adjustments to NV by deducting Korean inland freight, brokerage, handling, and packing, in accordance with sections 773(a)(6)(A) and (B) of the Act, and by deducting direct selling expenses (credit expenses) in accordance with section 773(a)(6)(C)(iii) of the Act. We also made adjustments for differences in costs attributable to differences in physical characteristics of merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act.

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (''LOT'') as the U.S. sales. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on CV, that of the sales from which we derive SG&A expenses and profit. For both EP and CEP, the relevant transaction for the level of trade analysis is the sale (or constructed 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 LOT and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the 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).

SeAH asserted that its comparison market sales were at a different LOT than its U.S. sales because the comparison market sales are at a more advanced level of distribution than its sales to State, and because SeAH performed and incurred all expenses for all significant selling functions and support services for the comparison market sales, but did not perform them for its CEP sales made through PPA and State. SeAH requested a CEP offset to

reflect these differences (*see, e.g.*, pages 19–21 of SeAH's November 12, 1997, Section B questionnaire response).

In its original questionnaire response, SeAH asserted that it performs many functions with respect to third country sales that it does not perform with respect to U.S. sales, such as: gathering strategic and marketing information including industry developments, potential new or refined applications, products and sales practices of customers and competitors, and technical and engineering developments; establishing pricing policies for OCTG sales based on market conditions in the third-country market; establishing sales promotional and marketing strategies, including advertising, promotional activities, and technical service for third-country market sales; and maintaining a skilled sales force that is knowledgeable about SeAH's OCTG products and the OCTG market in the third country market. Therefore, SeAH claims that it has distinguished different levels of trade for its Myanmar sales versus its sales to the U.S. importer of record, PPA, by highlighting ways in which SeAH is deeply involved with, and knowledgeable about, the Myanmar market.

However, the record indicates that SeAH has greatly overstated the extent and importance of its activities with respect to the Myanmar market. For example, at page 14 of its April 3, 1998 supplemental questionnaire response, SeAH indicated that it does not even know the identity or location of the customers of the Korean trading company to which it made its Myanmar sales. While SeAH clarified this point at page 40 of its June 4, 1998 supplemental questionnaire response by saying that several documents in the third country sales process indicate the destination and identity of the ultimate Myanmar customers, it also noted that it had no contact with those Myanmar customers, nor did it have any knowledge of the prices that the unaffiliated Korean trading company charged those Myanmar customers. SeAH's knowledge of the OCTG market is based on ''customer contacts and other contacts in the industry'' (see page 13 of the April 3, 1998 supplemental questionnaire response), and based on SeAH's own statements, such contacts with respect to Myanmar are very limited.

The record does not indicate more than a minimal involvement by SeAH in either the marketing process or the selling functions associated with its Myanmar and U.S. sales. There does not appear to be any substantive difference between the functions performed by SeAH with respect to the sales to the Korean trading company destined for Myanmar and the functions performed by SeAH with respect to its sales to PPA, the affiliated U.S. importer of record. In both instances, SeAH made sales to resellers that in turn sold to end-users, and the record does not indicate any more than the most minimal interaction of SeAH with those resellers (the unaffiliated Korean trading company for the Myanmar sales, and PPA for the U.S. sales) with respect to the sales process. Consequently, we have preliminarily determined that the sales in both markets are at the same LOT. Therefore, a CEP offset is not warranted.

Preliminary Results of Reviews

As a result of our review, we preliminarily determine the weighted-average dumping margin for the period August 1, 1996 through July 31, 1997 to be as follows:

Manufacturer/exporter	Time period	Margin (percent)
SeAH	9/1/96–8/31/97	0.35

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 this notice.

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.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a) of the Act: (1) The cash deposit rate for each reviewed company will be that established in the final results of review (except that a deposit of zero will be required for firms with zero or de minimis margins, i.e., margins less than 0.5 percent); (2) for exporters not covered in this review, but covered in the LTFV investigation or previous review, 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 this review, a previous review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; (4) the cash deposit rate for all other manufacturers or exporters will continue to be the ''all others'' rate established in the LTFV investigation, which was 12.17 percent. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) 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 notices are published in accordance with 751(a)(1) of the Act (19 U.S.C.

1675(a)(1)) and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: August 31, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–24068 Filed 9–4–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–821–803]

Titanium Sponge from the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review and Partial Revocation

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

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

SUMMARY: In response to requests from AVISMA Titanium-Magnesium Works; the affiliated companies Interlink Metals, Inc., and Interlink Metals & Chemicals, S.A.; TMC Trading International Ltd.; and Titanium Metals Corporation, the Department of Commerce is conducting an administrative review of the antidumping finding on titanium sponge from the Russian Federation. This notice of preliminary results covers the period August 1, 1996 through July 31, 1997. This review covers one manufacturer/exporter, AVISMA Titanium-Magnesium Works, and two trading companies, TMC Trading International Ltd. and, collectively as one company, Interlink Metals, Inc., and Interlink Metals & Chemicals, S.A.

We have preliminarily determined that no dumping margins apply during this review period. If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Customs Service to liquidate entries during the period of review without regard to dumping duties. Furthermore, if these preliminary results are adopted in our final results of review, this will be the Interlink entities' third consecutive review with no dumping margins. Therefore, in the final results we will revoke this finding with respect to Interlink. Interested parties are invited to comment on these preliminary results. Parties who submit arguments 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, 1998.

FOR FURTHER INFORMATION CONTACT: Wendy Frankel or Mark Manning, Office of AD/CVD Enforcement, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–5849 and 482–3936, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce's regulations refer to the regulations codified at 19 CFR part 351, 62 FR 27296 (May 19, 1997).

Background

The Department of Commerce (the Department) published an antidumping finding on titanium sponge from the Union of Soviet Socialist Republics (U.S.S.R.) on August 28, 1968 (33 FR 12138). In December 1991, the U.S.S.R. divided into fifteen independent states. To conform to these changes, the Department changed the original antidumping finding into fifteen findings applicable to each of the former republics of the U.S.S.R. (57 FR 36070, August 12, 1992).

On August 26, 1997, AVISMA Titanium-Magnesium Works (AVISMA) and Interlink Metals & Chemicals, S.A. and Interlink Metals, Inc. (collectively Interlink) requested that the Department conduct an administrative review of the antidumping finding on titanium sponge from the Russian Federation (Russia) for one manufacturer/exporter, AVISMA, and one trading company, Interlink, covering the period August 1, 1996 through July 31, 1997. On August 27, 1997, Titanium Metals Corporation (TIMET) requested that the Department conduct an administrative review for the trading companies, Interlink and TMC Trading International, Ltd. (TMC). On August 28, 1997, TMC requested that the Department conduct an administrative review of its U.S. sales. The Department published a notice of initiation of the review on September 25, 1997 (62 FR 50292). Due to the complexity of the legal and methodological issues presented by this review, the Department postponed the date of the preliminary results of review by sixty days on February 10, 1998 (63 FR 6721). The Department published a second sixty day postponement of preliminary results of review on April 16, 1998 (63 FR 18885). The Department is conducting this administrative review in accordance with section 751 of the Act.

On August 13, 1998, the International Trade Commission (ITC) published in the **Federal Register** its determination that revocation of the findings covering titanium sponge imports from the Republic of Kazakhstan (Kazakhstan), Russia, and Ukraine and the antidumping duty order covering imports of titanium sponge from Japan is not likely to lead to continuation or recurrence of material injury to an industry in the United States. Due to this determination the Department has revoked the findings covering titanium sponge imports from Kazakhstan, Russia, and Ukraine and the antidumping duty order covering titanium sponge imports from Japan. This revocation is effective as of August 13, 1998. *See Notice of Revocation of Antidumping Findings and Antidumping Duty Order and Termination of Five-Year (''Sunset'') Reviews: Titanium Sponge from Kazakhstan, Russia, Ukraine, and Japan,* (63 FR 46215, August 31, 1998).

Scope of the Review

The product covered by this administrative review is titanium sponge from Russia. Titanium sponge is chiefly used for aerospace vehicles, specifically, in construction of compressor blades and wheels, stator blades, rotors, and other parts in aircraft gas turbine engines. Imports of titanium sponge are currently classifiable under the harmonized tariff schedule (HTS) subheading 8108.10.50.10. The HTS subheading is provided for convenience and U.S. Customs purposes. Our written description of the scope of this proceeding is dispositive.

Separate Rates

During the period of review (POR), AVISMA made direct sales of subject merchandise to the U.S. market that were entered for consumption. Due to these direct sales, AVISMA has requested a separate, company-specific rate. The claimed ownership of AVISMA during the POR is that of a publicly owned joint stock company, where 100 percent of the shares are owned by private individuals and private companies. AVISMA asserted that the state owned zero percent of its shares.

To establish whether a firm is sufficiently independent from