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we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**.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 constructed export price, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/Manufacturer	Weighted-average margin percentage
Industrias Negromex, S.A. de C.V.	29.57
All Others	29.57

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 before 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 or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than February 5, 1999, and rebuttal briefs no later than February 12, 1999. 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 February 16, 1999, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., 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 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 by no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is issued and published pursuant to sections 773(d) and 777(i) of the Act.

Dated: October 28, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–29553 Filed 11–3–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–583–830]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils From Taiwan

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

EFFECTIVE DATE: November 4, 1998.

FOR FURTHER INFORMATION CONTACT: Joanna Gabryszewski, Rebecca Trainor, or Maureen Flannery, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–0780, (202) 482–0666 or (202) 482–3020, respectively.

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 (''the Department'') regulations are to the regulations at 19 CFR Part 351, 62 FR 27296 (May 19, 1997).

Preliminary Determination

We preliminarily determine that stainless steel plate in coils (''SSPC'') from Taiwan are being, 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

On April 20, 1998, the Department initiated antidumping duty investigations of imports of stainless steel plate in coils from Belgium, Canada, Italy, South Africa, South Korea, and Taiwan (*Notice of Initiation of Antidumping Investigations: Stainless Steel Plate in Coils From Belgium, Canada, Italy, South Africa, South Korea and Taiwan* (63 FR 20580, April 27, 1998)). Since the initiation of this investigation the following events have occurred:

The Department set aside a period for all interested parties to raise issues regarding product coverage. On May 8, 1998, Armco, Inc.; J&L Specialty Steel, Inc.; Lukens, Inc.; North American Stainless; the United Steelworkers of America, AFL–CIO/CLC; the Butler Armco Independent Union; and the Zanesville Armco Independent Organization, Inc. (''petitioners'') submitted comments stating that, while they believed the scope of the investigations was accurate, they wished to clarify certain issues concerning product coverage. The Department has determined that the parties' comments do not warrant a change in the scope language.

During the month of May 1998, the Department requested information from the American Institute in Taiwan (AIT) to identify producers/exporters of the subject merchandise. The AIT identified seven companies in Taiwan as exporters of subject merchandise. Three companies, Chang Mien Industries Co., Ltd., Tang Eng Iron Works Co., Ltd., and Chia Far Industrial Factory Co., Ltd., informed the Department that they did not export the subject merchandise to the United States during the POI. In May 1998, the Department also requested and received comments from petitioners and potential respondents in these investigations regarding the model matching criteria.

On May 15, 1998, the United States International Trade Commission (''ITC'') notified the Department of its affirmative preliminary injury determination in this case.

On May 27, 1998, the Department issued antidumping duty questionnaires to Yieh United Steel Corporation (''YUSCO''), Chien Shing Stainless Steel Co., Ltd. (''Chien Shing''), Ta Chen Stainless Steel Pipe, Ltd. (''Ta Chen''), and Tung Mung Development Co. Ltd. (''Tung Mung'').

On June 4, 1998, Tung Mung stated in a letter to the Department that it did not export subject merchandise to the United States during the POI.

Chien Shing sent a letter in response to the Department's questionnaire on June 24, 1998. Based on that letter, it is unclear whether Chien Shing had sales of subject merchandise to the United States during the POI. We are in the process of investigating whether Chien Shing sold SSPC to the United States, or to third parties for export to the United States, during the POI.

On June 24, 1998, the Department received a response to Section A of the questionnaire from YUSCO. The Department received YUSCO's response to Sections B and C of the questionnaire on July 21, 1998 and the Section D response on September 25, 1998. Petitioners filed comments on YUSCO's questionnaire responses in July, August, and September 1998. The Department issued supplemental questionnaires for Sections A, B, C and D to YUSCO in July, August, September, and October 1998 and received responses to these questionnaires in August, September, and October 1998.

Ta Chen responded to Section A of the questionnaire on June 24, 1998. On July 14, 1998, Ta Chen submitted a letter to the Department indicating that Ta Chen, TCI, and their affiliates (hereafter, collectively ''Ta Chen'') did not sell subject merchandise during the POI which was produced by any Taiwan manufacturer other than YUSCO. YUSCO reported in its Section A questionnaire response that it knew at the time of sale that the merchandise it sold to Ta Chen was destined for the United States. Based on the above, the Department rescinded its request for Ta Chen to respond to Sections B and C of the questionnaire. *See* letter from Edward Yang to Peter Koenig, Ablondi, Foster, Sobin & Davidow, P.C., dated July 22, 1998.

On July 28, 1998, pursuant to section 733(c)(1)(A) of the Act, the petitioners made a timely request to postpone the preliminary determinations for thirty days. The Department determined that these investigations are extraordinarily complicated and that additional time is necessary beyond the thirty days requested by petitioners for the Department to make its preliminary determinations. On August 14, 1998, the Department postponed the preliminary determinations until no later than October 27, 1998. (*See Stainless Steel Plate in Coils from Belgium, Canada, Italy, South Africa, South Korea, and Taiwan; Notice of Postponement of Preliminary Determinations in Antidumping Duty Investigations,* 63 FR 44840, (August 21, 1998)).

On August 11, 1998, petitioners alleged that Ta Chen and/or its affiliated U.S. importer, Ta Chen International (TCI), are reselling subject merchandise in the United States at prices less than Ta Chen's cost of acquisition and related selling and movement expenses. After considering the merits of petitioners' allegation, the Department initiated a middleman dumping investigation on August 28, 1998. (*See* Memorandum to Joseph Spetrini, *Stainless Steel Plate In Coils From Taiwan: Whether to Initiate a Middleman Dumping Investigation,* August 28, 1998, on file in room B–099 of the Commerce Department.) Also on this day, the Department issued a questionnaire to Ta Chen. We received Ta Chen's questionnaire response on October 7, 1998, too late to issue a supplemental questionnaire and incorporate the results thereof in these preliminary results. For further details, see the ''Middleman Dumping'' section below.

On August 20, 1998, petitioners amended the antidumping petitions to include Allegheny Ludlum Corporation as an additional petitioner.

Scope of Investigation

For purposes of these investigations, the product covered is certain stainless steel plate in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of this petition are the following: (1) plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars.

The merchandise subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.20, 7219.12.00.25, 7219.12.00.50, 7219.12.00.55, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTS subheadings are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

Period of Investigation

The period of investigation (''POI'') is January 1, 1997, through December 31, 1997.

Chien Shing

As noted above, we are in the process of investigating whether Chien Shing sold SSPC to the United States, or to third parties for export to the United States, during the POI. For this preliminary determination, we are treating Chien Shing as a non-shipper; therefore, it falls within the ''all others'' duty rate.

Middleman Dumping

Normally a determination of whether there are sales at less than fair value focuses on the price at which merchandise is first sold in the United States or for export to the United States. However, where a trading company (middleman) purchases for export to the United States, that trading company can, in turn, be the cause of, or contribute to, less-than-fair-value sales. Congress, in the legislative reports to the Trade Agreements Act of 1979, left to this agency the task of establishing a methodology which would accurately capture this ''middleman dumping.'' *See Fuel Ethanol from Brazil; Final Determination of Sales at Less Than Fair Value,* 51 FR 5572, 5573 (February 14, 1986). Based on the allegation that Ta Chen was selling subject merchandise to the United States at a loss (*i.e.* at prices which were, after the deduction of all costs incurred in selling the merchandise in the United States, lower than its costs of acquisition from unrelated suppliers), we analyzed Ta Chen's prices and costs relative to all sales to the United States during the POI.

In accordance with the methodology discussed in our *Final Results of Redetermination Pursuant to Court Remand; Prestressed Concrete Strand from Japan,* filed in *Mitsui & Co., Ltd.* v. *the United States,* Slip Op. 97–49 (April 22, 1997), we determined whether a substantial portion of Ta Chen's sales were below acquisition costs by comparing the total value of SSPC sales below acquisition costs to the total value of SSPC sales. We first

identified sales below acquisition cost by comparing Ta Chen's resale price for SSPC to its acquisition cost for SSPC. We used the supplier's invoice price to Ta Chen as the acquisition cost. We based the U.S. resale prices on Ta Chen's sales to unaffiliated customers in the United States. From that starting price we deducted movement expenses and selling expenses incurred by Ta Chen (freight, insurance, commissions, warehousing charges, discounts, U.S. duties, brokerage and handling fees, and indirect selling expenses), where applicable. We then compared that price, after deductions, to the acquisition cost. Based on these results, we determine that Ta Chen did not make a substantial portion of its sales below acquisition cost. Because, at this preliminary stage, our findings indicate that the portion of below-acquisition-cost sales was not substantial, an examination of whether prices were substantially below acquisition cost is unnecessary at this time. *See Memorandum to the File: Analysis for the Preliminary Determination of SSPC from Taiwan: Middleman Dumping Investigation: Ta Chen,* dated October 27, 1998.

We note that this preliminary finding of no middleman dumping is based upon the information available to us at the time of this preliminary determination. Because Ta Chen's responses were received on October 7 and 14, 1998, we have not been able to issue a supplemental questionnaire and incorporate the answers thereto in our analysis. We intend to revisit this issue after issuing a supplemental questionnaire, incorporating the revised data into our analysis, and verifying the accuracy of that data.

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 Investigation* section, above, and sold in the home market during the POI, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. 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 the antidumping duty questionnaire and the May 27, 1998 reporting instructions.

Fair Value Comparisons

To determine whether sales of SSPC from Taiwan to the United States were made at less than fair value, we compared export price (''EP'') or constructed export price (''CEP'') 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) of the Act, we calculated weighted-average prices for NV and compared these to individual U.S. transactions.

Level of Trade

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 EP or CEP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value (''CV''), that of the sales from which we derive selling, general and administrative (''SG&A'') expenses and profit. For EP, the U.S. LOT is also the level of the starting-price sale, which is usually from exporter to importer.

To determine whether NV sales are at a different LOT than EP, the Department examines stages in the marketing process and selling functions along the chain of distribution between the producer and the 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 an LOT adjustment under section 773(a)(7)(A) of the Act. *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, November 19, 1997).

YUSCO claimed that there was only one level of trade of customers in its home market. Although YUSCO sold to both en-users and distributors, it provided virtually the same services to both types of customers. Based on our analysis, we agree that YUSCO had one level of trade in its home market.

In the United States, YUSCO sold through unaffiliated distributors only. We found that YUSCO provided more services to the home market customers than to U.S. customers. YUSCO stated that it could not quantify the price difference attributable to differences in level of trade. Therefore, YUSCO did not make any claim for an LOT adjustment or demonstrate that any price differentials were due to differences in LOT and not any other factors. Therefore, we compared all U.S. sales to home market sales at that one home market level, and have not made an LOT adjustment. *See Memorandum to the File: Preliminary Determination of Sales at Less Than Fair Value: Yieh United Steel Corporation (''YUSCO''),* dated October 27, 1998.

United States Price

In calculating the United States Price (USP), we used EP, in accordance with sections 772 (a) and (c) of the Act, because YUSCO's sales to the first unaffiliated purchaser occurred before importation into the United States, and because CEP methodology was not otherwise indicated. We based EP on the packed prices to the first unaffiliated purchaser in the United States. We made deductions from the starting price, where appropriate, for the following movement expenses, in accordance with section 772(c)(2)(A) of the Act: foreign inland freight, container handling fees, certification fees, and brokerage and handling expenses. No other adjustments were claimed or allowed.

Normal Value

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.,* the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared YUSCO's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(B) of the Act. Since YUSCO's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable. Therefore, we have based NV on home market sales.

Cost of Production Analysis

On August 10, 1998, petitioners in this investigation filed a timely sales-below-cost allegation against YUSCO. Petitioners filed revisions to their allegation on August 20, 1998. On August 25, 1998, the Department initiated a cost of production (''COP'') investigation of YUSCO to determine whether sales were made at prices less than the COP. We conducted the COP analysis described below.

A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the COP based on the sum of YUSCO's cost of materials, labor, overhead, and general expenses. On October 15, 1998, the Department issued a supplemental section D questionnaire to YUSCO. The supplemental questionnaire response

was not received in time to use in calculating COP for this preliminary determination. This information will be included in the Department's final determination.

B. Test of Home Market Prices

We compared YUSCO's reported weighted-average COP 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 less than the COP, we examined whether (1) within an extended period of time, such sales were made in substantial quantities, and (2) whether 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, less direct and indirect selling expenses, to home market prices, less any applicable movement charges, quantity discounts, and direct and indirect selling expenses.

C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of respondent's home market sales of a given product were at prices less than the COP, we do not disregard any below-cost sales of that product because such below-cost sales were not made in ''substantial quantities.'' Where 20 percent or more of a respondent's sales of a given product are made at prices less than the COP, we determine such sales to have been made in ''substantial quantities'' within an extended period of time in accordance with section 773(b)(2)(B) of the Act. In such cases, because we compared prices to weighted-average COPs for the POI, we also determine that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act, and we disregard the below-cost sales. Where all sales of a specific product are made at prices below the COP, we disregard all sales of that product.

Price-to-Price Comparisons

Because all of YUSCO's home market sales were above COP, we based NV on prices to home market customers. We did not make adjustments for physical differences in the merchandise, as all of YUSCO's sales to the United States were identical to sales in the home market.

We calculated NV based on prices to unaffiliated home market customers. We made deductions for quantity discounts and inland freight. In addition, we made circumstance-of-sale adjustments for differences in credit and warranty expenses, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs.

Currency Conversion

We made currency conversions into U.S. dollars based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank, in accordance with section 773A of the Act.

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 that are 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 U.S. price, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
YUSCO	67.68
All Others	67.68

ITC Notification

In accordance with section 733(f) of the Act, we are notifying the ITC of our determination. If our final determination is affirmative, the ITC will determine before 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 or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than 50 days after the publication of the preliminary determination, and rebuttal briefs, limited to issues raised in case briefs, no later than 55 days after the publication of the preliminary determination. 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 January 7, 1999, time and room to be determined, 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 by January 10, 1999.

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

Dated: October 27, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–29543 Filed 11–3–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–830]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils From Canada

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

EFFECTIVE DATE: November 4, 1998.

FOR FURTHER INFORMATION CONTACT: Linda Ludwig or Helen Kramer, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–3833 or (202) 482–0405, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (''the Act''), are references to