ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our negative preliminary determination. If our final antidumping determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. 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.

Disclosure

We will disclose the calculations used in our analysis to parties to this proceeding within five days of the publication date of this notice. *See* 19 CFR 351.224(b).

Public Comment

For this investigation, case briefs must be submitted no later than November 22, 1999. Rebuttal briefs must be filed no later than November 29, 1999. 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 hearing is requested, it will be held on December 3, 1999, 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.

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

Dated: October 29, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–29207 Filed 11–5–99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–839]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of the Final Determination: Certain Polyester Staple Fiber From the Republic of Korea

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

EFFECTIVE DATE: November 8, 1999.

FOR FURTHER INFORMATION CONTACT: Vincent Kane, Craig Matney, or Suresh Maniam, Office 1, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–2815, (202) 482–1778, or (202) 482–0176, respectively.

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 1998).

Preliminary Determination

We preliminarily determine that certain polyester staple fiber (PSF) from the Republic of Korea (Korea) is being sold, or is 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 are shown in the Suspension of Liquidation section of this notice.

Case History

This investigation was initiated on April 22, 1999 (*see Initiation of Antidumping Duty Investigations: Certain Polyester Staple Fiber from the Republic of Korea and Taiwan,* 64 FR 23053 (April 29, 1999) (*Initiation Notice*)). Since the initiation of this investigation, the following events have occurred:

On May 17, 1999, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of PSF are materially injuring the United States industry.

On May 24, 1999, the Department requested comments from interested parties regarding the criteria to be used for model matching purposes. The parties submitted comments on our proposed model matching criteria on May 26, 1999.

On June 4 and 8, 1999, the Department issued antidumping questionnaires to Samyang Corporation (Samyang), Sam Young Synthetics Co. (Sam Young), and Geum Poong Corporation (Geum Poong) (*see* memorandum dated June 17, 1999, to Deputy Assistant Secretary Richard W. Moreland (Respondent Selection Memorandum), which is on file in Import Administration's Central Records Unit). The respondents submitted their initial responses to the questionnaires between July 2 and 30, 1999. Between July 14 and August 5, 1999, E.I. DuPont de Nemours, Inc.; Arteva Specialities S.a.r.l., d/b/a KoSa; Wellman, Inc.; and Intercontinental Polymers, Inc. (hereinafter collectively referred to as ''the petitioners'') filed comments on the questionnaire responses. After analyzing the initial responses and the petitioners' comments, we issued supplemental questionnaires to the respondents between August 9 and 11, 1999. We received responses to these supplemental questionnaires between August 31 and September 3, 1999.

On July 28 and August 10, 1999, the petitioners requested that the Department initiate an investigation of sales below the cost of production (COP) for Samyang and Sam Young, respectively. On August 17 and 18, 1999, based on our review of the petitioners' below cost allegation, we initiated a cost investigation for Samyang and Sam Young (see memoranda dated August 17, 1999 and August 18, 1999, to Senior Director Susan Kuhbach, which is on file in Import Administration's Central Records Unit). On August 19, 1999, we requested that these two companies respond to Section D of the antidumping questionnaires concerning COP and constructed value (CV). We received the responses on September 9, 1999.

On August 16, 1999, the petitioners made a timely request for a postponement of the preliminary determination pursuant to section

733(c)(1)(A) of the Act. On August 25, 1999, the Department extended the preliminary determination until no later than September 29, 1999. *See Notice of Postponement of Preliminary Antidumping Duty Determinations: Certain Polyester Staple Fiber from the Republic of Korea and Taiwan,* 64 FR 47766 (September 1, 1999). On September 29, 1999, the petitioners requested another extension. In response, the Department extended the preliminary determination until no later than October 4, 1999. *See Notice of Postponement of Preliminary Antidumping Duty Determinations: Certain Polyester Staple Fiber from the Republic of Korea and Taiwan,* 64 FR 55248 (October 12, 1999). On October 4, 1999, based on petitioners' September 29, 1999 request for extension, the Department further extended the preliminary determination until no later than October, 29, 1999. *See Notice of Postponement of Preliminary Antidumping Duty Determinations: Certain Polyester Staple Fiber from the Republic of Korea and Taiwan,* 64 FR 55700 (October 14, 1999).

Between September 16 and October 20, 1999, the petitioners requested that the Department use quarterly averaging periods in our analysis rather than annual averaging periods (*see* Fair Value Comparisons section below).

On October 8 and October 15, 1999, we issued Section D supplemental questionnaires to Sam Young and Samyang, respectively. We received responses to these questionnaires between October 15 and October 22, 1999.

Postponement of Final Determination and Extension of Provisional Measures

Pursuant to section 735(a)(2) of the Act, on October 4, Samyang requested that, in the event of an affirmative preliminary determination, the Department postpone its final determination in this investigation. On October 6, Sam Young and Geum Poong also requested that, in the event of an affirmative preliminary determination, the Department postpone its final determination in this investigation. In accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) the requesting exporters account for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting the respondents' request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register**. The respondents have further requested that the Department extend provisional measures from a four-month period to not more than six months. Suspension of liquidation will be extended accordingly.

Period of Investigation

The period of investigation (POI) is April 1, 1998, through March 31, 1999.

This period corresponds to each respondent's four most recent fiscal quarters prior to the filing of the petition.

Scope of Investigation

For the purposes of this investigation, the product covered is certain polyester staple fiber. Certain polyester staple fiber is defined as synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The merchandise subject to this investigation may be coated, usually with a silicon or other finish, or not coated. Certain polyester staple fiber is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise of less than 3.3 decitex (less than 3 denier) classified under the *Harmonized Tariff Schedule of the United States* (HTSUS) at subheading 5503.20.00.20 is specifically excluded from this investigation. Also specifically excluded from this investigation are polyester staple fibers of 10 to 18 denier that are cut to lengths of 6 to 8 inches (fibers used in the manufacture of carpeting).

The merchandise subject to this investigation is classified in the HTSUS at subheadings 5503.20.00.40 and 5503.20.00.60. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Scope Comments

As stated in the *Initiation Notice,* we set aside a period for parties to raise issues regarding product coverage. We received comments on the scope from various interested parties on May 12, 1999, and rebuttal comments on June 7, 1999.

Stein Fibers, an importer of PSF from Korea, argued that under the criteria set forth in the Department's regulations at 19 CFR 351.225(k)(2) to determine whether products are covered or excluded by the scope (also known as the ''Diversified Products'' criteria), regenerated fiber does not fall under the scope of this investigation. First, Stein Fibers asserted that regenerated fiber is a low-quality product that is not comparable to U.S.-produced high-quality virgin and recycled PSF. Second, Stein Fibers contended that the quality differences result in different expectations by the ultimate user and in the product's ultimate use. Third, Stein Fibers stated that regenerated PSF and U.S.-made virgin or recycled PSF do not compete with each other and, therefore, their channels of trade are dissimilar. Finally, Stein Fibers claimed that regenerated fiber is never advertised or displayed, while particular brands of U.S.-made virgin or recycled 1PSF are prominently displayed and advertised in the bedding departments of many department stores.

Gates Formed-Fibre Products, Inc. (Gates), a PSF importer, stated that the black and colored fiber extruded from textile fiber waste that it imports for the manufacture of substrate for automobile trunk liners is a different class or kind of merchandise than the products covered by the petition. Therefore, Gates argued, black automotive substrate (BAS) should be excluded from the scope of the investigation because: (1) It cannot be used for the fill applications described in the petition; (2) it is distinct from other fiber products; (3) it should be excluded based on consideration of the ''Diversified Products'' criteria as set forth in the Department's regulations; (4) the petitioners are considering its exclusion; and (5) if excluded, there would be no risk of circumvention.

With respect to the ''Diversified Products'' criteria, Gates submitted specific comments on each of the criteria. First, Gates claimed that BAS differs from fiber fill product in all possible model matching criteria. Second, Gates stated that the ultimate purchaser would not accept BAS for use in the manufacture of merchandise such as pillows and ski jackets which require fiber fill. Third, Gates asserted that fiber fill is distributed by importers to manufacturers of pillows, comforters, jackets, etc., which then resell their products to distributors and large retailers. BAS is used in the manufacture of trunk liners which are then sold to original equipment manufacturers or their suppliers. Fourth, BAS cannot be used for fill applications. Fifth, products using fiber fill are advertised directly to consumers while BAS for trunk liners is not advertised to consumers.

Far Eastern Textile Ltd. (Far Eastern) and Nan Ya Plastics Corporation (Nan Ya), the respondents in the companion antidumping investigation of PSF from Taiwan, noted that low-melt PSF is used

exclusively for bonding and acts as an adhesive to hold other fibers together for non-woven batting in high-loft products. Since low-melt PSF itself is not used as filling and is not similar in appearance to cotton or wool, Far Eastern and Nan Ya stated that low-melt PSF is clearly outside the scope of investigation. Moreover, Far Eastern and Nan Ya asserted that low-melt PSF is outside the scope of investigation in consideration of the ''Diversified Products'' criteria set forth in section 351.225(k)(2) of the Department's regulations. First, according to Far Eastern and Nan Ya, with respect to product characteristics, low-melt PSF consists of an outer sheath and an inner core as opposed to single-component PSF. Second, with respect to the expectations of the ultimate user and the ultimate use, Far Eastern and Nan Ya pointed out that low-melt PSF is used as a bonding agent, not as a filler or loft material, which is the expectation of the ultimate purchaser for polyester staple fibers. Third, Far Eastern and Nan Ya stated that while the channels of trade may be similar, the Department has consistently recognized that no single criterion is dispositive. Finally, Far Eastern and Nan Ya noted that they supply the U.S. market with a particular specification of low-melt PSF suitable for furniture and bedding manufacturing that is not available domestically in the United States.

Saehan Industries Inc. and Samyang Corporation (Saehan/Samyang), Korean producers and exporters of PSF, stated that conjugate polyester staple fiber (conjugate PSF) and low-melt polyester staple fiber (low-melt PSF) do not fall under the scope of this investigation. Saehan/Samyang argued that conjugate PSF should be excluded from the scope because there is no U.S. industry producing this product. 1Saehan/Samyang stated that low-melt PSF is not ''fiber for fill'' and is, thus, not the product targeted by the petitioners. Moreover, Saehan/Samyang claimed that under the ''Diversified Products'' criteria, conjugate PSF and low-melt PSF are outside the scope of this investigation. First, Saehan/Samyang noted that the manufacturing process for conjugate fiber creates a natural curl or spiral, resulting in greater ''fluff.'' ''Regular'' fibers, produced by the petitioners, are straight or mechanically crimped and lack the loft of conjugate fiber. Second, Saehan/Samyang cited testimony given before the ITC asserting that end-users expect greater loft and a down-like quality from conjugate fibers which is not characteristic of the mechanically-crimped fibers produced by DuPont, one of the petitioners. Third, Saehan/Samyang stated that ''regular'' PSF and conjugate PSF are both used in the production of furniture and home furnishings and, therefore, they are not sold in different channels of trade. However, Saehan/Samyang argued that channels of trade is less significant as a criterion in this case because there are no different channels of trade for any products used in this industry. Fourth, the ultimate use of conjugate PSF is to create a certain level of loft. In the United States, it is either used to provide high-loft characteristics, or it is mixed with ''regular'' fiber to achieve different levels of loft, and these two fibers are not interchangeable. Fifth, Saehan/Samyang stated that although these products are not advertised or displayed in the same way as products sold directly in the retail market, manufacturers and customers treat the two products very differently.

The petitioners objected to the interested parties' requests that regenerated, low-melt, BAS, and conjugate PSF be excluded from the scope of the investigation. According to the petitioners, these products are all PSF, meet the definition of the scope, and are captured within the scope intended by the petitioners. Furthermore, the petitioners claimed that all of these imported products are domestically available. The petitioners added that there is no basis for creating a separate class or kind of merchandise relating to the PSF under consideration.

For purposes of this preliminary determination and in consideration of comments by interested parties, the Department has not modified the scope of this investigation because the current language reflects the product coverage requested by the petitioners, and we have determined that regenerated, low-melt, BAS, and conjugate PSF fall within that scope. On the issue of whether BAS is a separate class or kind of merchandise under the ''Diversified Products'' criteria, we will make a determination in the final determination of this investigation.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion, when faced with a large number of exporters/producers, to limit its examination to a reasonable number of such companies if it is not practicable to examine all companies. Where it is not practicable to examine all known producers/exporters of the subject merchandise, this provision permits the Department to investigate either: (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection; or (2) exporters and producers accounting for the largest volume of the subject merchandise that can reasonably be examined.

On June 7, 1999, we received a request from Sung Lim Company Ltd. to participate as a voluntary respondent in this investigation. On June 17, 1999, we received a similar request from Estal Industrial Company. However, we determined that it was not practicable in this investigation to examine all known producers/exporters of the subject merchandise. Instead we found that, given our resources, we would be able to investigate the three producers/exporters with the greatest export volume (*see* Case History section above). For a more detailed discussion of respondent selection in this investigation, *see* our Respondent Selection Memorandum.

Critical Circumstances

On July 30, 1999, the petitioners alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to the subject merchandise. In accordance with 19 CFR 351.206(c)(2)(i), because this allegation was filed at least 20 days prior to our preliminary determination, we must issue our preliminary critical circumstances determination not later than the preliminary determination.

Section 733(e)(1) of the Act provides that if a petitioner alleges critical circumstances, the Department will determine whether there is a reasonable basis to believe or suspect that: (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise; or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than fair value and that there was likely to be material injury by reason of such sales; and (B) there have been massive imports of the subject merchandise over a relatively short period.

With respect to the first criterion, *i.e.*, a history of dumping and material injury in the United States or elsewhere, the European Union (EU) imposed antidumping duties on synthetic polyester fibers from Korea on January 8, 1993. The merchandise subject to the EU antidumping duty order was classified under Common Nomenclature

(CN) 5503.20.00, which is the equivalent of HTSUS subheading 5503.20.00 and, thus, covers the subject merchandise in the instant investigation. On July 29, 1999, the EU terminated the antidumping duty order.

Based on the recent existence of this order, there is sufficient evidence to determine that there is a history of dumping of the subject merchandise and a history of material injury as a result thereof. Because there is a history of dumping and material injury by reason of dumped imports in the EU of the subject merchandise, the first statutory criterion of the test for finding critical circumstances is met. Therefore, we must consider the second statutory criterion: whether or not the imports of the subject merchandise have been massive over a relatively short period.

In determining whether there are ''massive imports'' over a ''relatively short time period,'' the Department ordinarily bases its analysis on import data for at least the three months preceding (the ''base period'') and following (the ''comparison period'') the filing of the petition. Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or more compared to imports during the base period (*see* 19 CFR 351.206(h)). The Department examines respondent-specific shipment information or aggregate import statistics when respondent-specific shipment information is not available.

To determine whether imports of the subject merchandise have been massive over a relatively short period, we compared each respondent's export volume for the three months prior to the filing of the petition (*i.e.*, January through March 1999) to that during the three months subsequent to the filing of the petition (*i.e.*, April through June 1999). For the ''all other'' exporters, although we found massive imports for the mandatory respondents, in this case we also had usable aggregate import data. Therefore, we performed the analysis using total imports from Korea, less those imports accounted for by the respondents (*see Notice of Final Determination of Sales at Less Than Fair Value: Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Japan*, 64 FR 24329, 24338 (Comment 2) (May 6, 1999)).

Based on our analysis, we preliminarily determine that the increase in imports was greater than 15 percent for each of the respondents. Therefore, because (1) there is a history of dumping and material injury, and (2) each of the respondents had more than a 15 percent increase in import volume, we preliminarily determine that critical circumstances exist for each of the companies under investigation. Also, based on our analysis of the import data as described above, we preliminarily determine that critical circumstances do not exist for the ''all other'' exporters.

We note that Sam Young and Geum Poong have argued that the increase in imports was a direct result of an anticipated, publicized freight rate increase and submitted documentation in support of their argument. In making a determination of whether there have been massive imports for purposes of a critical circumstances determination under 19 CFR 351.206(h), the Department normally examines the volume and value of imports, seasonal trends, and the share of domestic consumption accounted for by the imports. Anticipated increases in freight rates are not among the factors that the Department normally takes into consideration when making such a determination. After reviewing the information submitted by the respondents, we believe that the respondents have failed to demonstrate that increased freight rates are a seasonal trend. Therefore, we preliminarily determine that an increase in freight rates is not relevant for our determination of whether there have been massive imports of the subject merchandise.

We will make a final determination concerning critical circumstances when we make our final determination in this investigation.

Product Comparisons

Pursuant to section 771(16) of the Act, all products produced and sold by the respondents in the comparison market that fit the definition contained in the Scope of the Investigation section of this notice and were sold during the POI comprise the foreign like product. For purposes of this preliminary determination, we have relied on the following criteria, in order of significance, to match U.S. sales of PSF to comparison market sales of the foreign like product: (1) Fiber composition (conjugate, single component, crimped, low melt, etc.); (2) fiber type (virgin, recycled, blended, regenerated); (3) cross section; (4) finish; and (5) denier. Also, because Samyang specified grade of product in both the comparison market and the U.S. market, we attempted to make comparisons of the same grade for Samyang (*see* memorandum to file on *Preliminary Determination Calculations for Samyang,* dated October 29, 1999, (Samyang Calculations Memo) which is on file in Import Administration's Central Records Unit).

In making our comparisons, we performed the cost test and disregarded all sales that failed this test (*see* the Results of the COP Test section below). We then attempted to compare products sold in the U.S. and the comparison market that were identical with respect to the product matching criteria above. Where we did not find any comparison market sales of merchandise that was identical in these respects to the merchandise sold in the United States, we compared U.S. products with the most similar merchandise sold in the comparison market. Where there were no appropriate comparison market sales of comparable merchandise, we compared the merchandise sold in the United States to CV, in accordance with section 773(a)(4) of the Act.

Fair Value Comparisons

To determine whether sales of PSF from Korea to the United States were made at less than fair value, we compared the export price (EP) to comparison market prices or CV, as described in the Export Price and Normal Value sections below.

The petitioners allege that due to a significant change in the value of the won and declining prices during the POI, the Department should use quarterly averaging periods rather than a POI average period. The petitioners cite the Department's determination that there was a ''sustained movement'' in the exchange rate during the POI. Furthermore, the petitioners state that the exchange rate appreciated by 20 to 30 percent over the POI. The petitioners argue that the Department has in the past used different averaging periods to avoid the distortive effects on the dumping analysis when there is a significant change in the exchange rate (*see, Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From the Republic of Korea* (''*Sheet and Strip from Korea*''), 64 FR 30664, 30676 (June 8, 1999)).

With regard to declining prices, the petitioners contend that, for the largest volume control numbers, sales prices in both the U.S. and home market dropped significantly during the POI. The petitioners argue that in past cases, when there was a ''significant and consistent'' price decline in the market, the Department used different averaging periods (*see, Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors From the Republic of Korea* (''*SRAMS*''), 63 FR 8934, 8935 (February 23, 1998). The

petitioners claim that in the *SRAMS* case, unit prices of SRAMS fell by 32 percent during the POI.[1] In this case, since some products had a price decline as high as 40 percent, the petitioners request the Department to use quarterly averaging periods to avoid the combined distortive effects that exchange rate and price changes would have on the dumping analysis if POI averaging was used.

Section 773A(a) of the Act directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars. However, when a currency has undergone a sustained movement, section 773A(b) of the Act directs the Department to allow a 60-day adjustment period. A sustained movement has occurred when the weekly average of the actual daily rates exceeds the weekly average of the benchmark rates by more than five percent for eight consecutive weeks. The benchmark is defined as the moving average of exchange rates for the past 40 business days (*see* Policy Bulletin 96–1: Currency Conversions, 61 FR 9434, March 8, 1996). This adjustment is only required when the foreign currency is appreciating against the U.S. dollar. In this case, the Department found a sustained exchange rate movement in the won during March and April of 1998. We therefore used a fixed exchange rate for a period of 60 days after the ''sustained movement'' (*i.e.*, from May 5 to July 5, 1998).

As noted, the ''sustained movement'' of the won occurred in March and April of 1998. Our POI is April 1998 to March 1999. Therefore, half of the ''sustained movement'' occurred outside the POI. In looking only at the month of April 1998, the won appreciated roughly 8.5 percent.[2] The resulting effect on normal value is minimal in comparison to the effect on normal value caused by the exchange rate decline during November and December of 1997. That decline was the change in currency value that prompted the Department to use different averaging periods in *Sheet and Strip from Korea*. Furthermore, we found that, while the actual exchange rate varied over the POI and at one point appreciated by over 20 percent compared to the beginning of the POI, on average, the actual exchange rate did not appreciate out of the ordinary. For example, the average exchange rate for the last month of the POI was only 13 percent higher than the average exchange rate for the first month. Also, this movement did not occur abruptly.

Because the gradual movement of the exchange rate during our POI differs from the situation which occurred in *Sheet and Strip from Korea*, and because the magnitude of the exchange rate change is not large, we find that the change in the value of the won relative to the dollar is not a basis for adopting a different averaging period.

With regard to the petitioners' claim concerning declining prices during the POI, section 777A(d)(1)(A)(i) of the Act allows the Department to use a weighted average-to-average comparison when comparing export prices to home market prices. Section 351.414(d)(3) of the Department's regulations, which discusses the length of averaging periods, states that the Department normally will use weighted averages for the entire POI, but that when prices differ significantly over the course of the POI, the Department may calculate weighted averages for shorter periods.

In this case, for Samyang, we examined changes in the average monthly gross unit price for the subject merchandise sold in the United States and the average monthly gross unit price for the subject merchandise sold in the home market. For Sam Young, we performed the same analysis, except we examined the average monthly U.S. sales prices and the average monthly gross unit prices for the subject merchandise sold in the Canadian market.[3] In analyzing the data, we did not find a significant and consistent price decline during the POI. While monthly average prices were higher at the beginning of the POI than at the end, several months during the POI showed either price increases or virtually no change at all, while other months showed price decreases. Further, we did not find a significant divergence between the two markets.

In addition to our market-to-market analysis, we also examined, for Samyang, the data on an individual control number basis. We first examined changes in the average monthly prices of the three largest U.S. control numbers (representing a significant percentage of total U.S. sales) and their respective matching home market control numbers. Second, we examined the price trends for the four largest home market control numbers (representing a significant percentage of total home market sales). A similar analysis was performed for Sam Young, using the Canadian price in lieu of home market prices. Because Geum Poong did not have a viable home or third country market, we looked at only the movement of prices in the U.S. market. In analyzing the individual control number data for Samyang, Sam Young, and Geum Poong, we found that there was not a significant and consistent decrease in prices. Prices fluctuated both upward and downward throughout the POI.

Based on our analysis, we find that there was not a significant and consistent decline in prices over the POI (*see* Samyang Calculations Memo, and memoranda to file on *Preliminary Determination Calculations for Sam Young*, dated October 29, 1999 (Sam Young Calculations Memo), and *Preliminary Determination Calculations for Guem Poong*, dated October 29, 1999 (Geum Poong Calculations Memo), which are on file in Import Administration's Central Records Unit). Therefore, in accordance with section 777A(d)(1)(A)(i) of the Act, we calculated POI weighted-average EPs for comparison to POI weighted-average NVs.

Date of Sale

Samyang and Sam Young reported that the date on which the material terms of sale were set was the invoice date for sales in both the comparison market and the U.S. market. For its sales in the U.S. market, Geum Poong reported the invoice date as the date on which the material terms of sale were set. As noted above, Geum Poong did not have a viable comparison market. The basis for the companies' reporting invoice date as the date of sale is described below.

Samyang reported that it negotiated price and quantity with its U.S. customers, and that a purchase order or other initial sales agreement document was generated confirming the order. However, according to Samyang, changes in price and quantity occurred after the initial sales document was issued and the terms of sale were not fixed until the invoice was issued. Therefore, Samyang reported its U.S. sales prices based on invoice date. Regarding home market sales, Samyang reported that purchase orders were seldom issued. Consequently, Samyang also reported its home market sales based on invoice date.

Sam Young reported that it negotiated price and quantity with its U.S. and Canadian customers. Once agreement was reached, Sam Young faxed a confirmation to its customer and the customer then issued a purchase order to Sam Young. Sam Young claimed,

[1] See petitioners' submission dated October 20, 1999, at 3. The percentage change in price was derived by calculating unit prices on the basis of import statistics.

[2] Calculated by subtracting the dollar/won rate on April 1, 1998 from the dollar/won rate on April 30, 1998 and dividing the result by the dollar/won rate on April 1, 1998.

[3] Geum Poong did not have a viable home or third country market and, therefore, we analyzed price movements only for its U.S. sales..

however, that changes in price and quantity occurred after the purchase order had been issued and, therefore, price and quantity were not fixed until the date on which the invoice was issued. For this reason, Sam Young initially reported invoice date as the date of sale. For certain comparison market sales, Sam Young used the tax invoice date as the date of sale.

Geum Poong reported that it negotiated price and quantity with its U.S. customers by telephone or by fax. For sales negotiated by fax, once an agreement was reached, a purchase order or order acceptance sheet was issued. However, according to Geum Poong, changes in price and quantity occurred after the order was accepted and the purchase order was issued and that the terms of sale were not fixed until the invoice was issued. Therefore, Geum Poong reported its U.S. sales based on invoice date.

The petitioners questioned all three respondents' use of invoice date as the date of sale. Based on our review of the information submitted, we determined that neither Samyang, Sam Young, nor Geum Poong provided sufficient evidence of significant changes in price and quantity between the issuance of the order confirmation and invoice date. Therefore, on September 14, 1999, we requested that Samyang report its U.S. sales based on initial purchase order date. On September 16, 1999, we requested that Sam Young report U.S. and Canadian sales and that Geum Poong report U.S. sales based on initial order confirmation date. For purposes of this preliminary determination, we used initial order confirmation date as the date of sale for all three respondents' U.S. sales and for Sam Young's Canadian sales. For Samyang's home market sales, since no purchase order was issued, we used the sales reported on the basis of invoice date. We will consider this issue further for purposes of the final determination.

Export Price

In accordance with section 772 of the Act, we based U.S. price on EP. Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold before the date of importation by the exporter or producer outside the United States to an unaffiliated purchaser in the United States, or to an unaffiliated purchaser for exportation to the United States. Consistent with these definitions, we found that all of the respondents' sales during the POI were EP sales. For all respondents, we calculated EP based on prices charged to the first unaffiliated customer in the United States.

As the starting U.S. price, we relied on the gross unit price shown on sales invoices. These prices were delivered and FOB prices to unaffiliated customers in the United States. In accordance with section 772(c)(2) of the Act, we reduced the EP, where appropriate, by movement expenses, including foreign inland freight, international freight, brokerage, export taxes, U.S. customs duties, and other miscellaneous charges. We increased EP, where appropriate, for duty drawback in accordance with section 772(c)(1)(B) of the Act.

Normal Value

A. Selection of Comparison Markets

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared each respondent's volume of home market sales of the foreign like product to the volume of their U.S. sales of the subject merchandise.

Samyang had a viable home market for PSF and reported home market sale for purposes of calculating normal value. Sam Young did not have a viable home market. However, it had a viable third country market and reported third country sales for purposes of calculating normal value. For Geum Poong, which had no viable home or third country market, we compared EPs to CV in accordance with section 773(a)(4) of the Act. See the section on Calculation of Normal Value Based on Constructed Value below.

Adjustments made in deriving the normal values for each company are described in detail in the sections on Calculation of Normal Value Based on Comparison Market Prices and Calculation of Normal Value Based on Constructed Value, below.

B. Cost of Production Analysis

Based on the timely cost allegations filed on July 28 and August 10, 1999, and in accordance with section 773(b)(2)(A)(i) of the Act, we found reasonable grounds to believe or suspect that Samyang's PSF sales made in Korea and Sam Young's PSF sales made to Canada were made at prices below COP. As a result, the Department has conducted investigations to determine whether these respondents made sales in their respective comparison markets at prices below their respective COPs during the POI within the meaning of section 773(b) of the Act. We conducted the COP analysis described below.

1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP for PSF, based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for general and administrative (G&A) expenses and packing costs. For Samyang, we adjusted reported direct material costs to reflect the market price of inputs purchased from unaffiliated sellers, because cost of production data was not provided by the affiliated suppliers (*see* Samyang Calculations Memo). For Sam Young, we revised the reported per unit total materials costs because we noted an apparent discrepancy in the total production quantity used by Sam Young to calculate its per-unit costs (*see* Sam Young Calculations Memo). For Geum Poong, we revised the reported per unit total materials costs to correct for an apparent discrepancy in its duty drawback adjustment (*see* Geum Poong Calculations Memo). In addition, for all three companies, we revised general and administrative expenses and interest expenses based on our corrections to their reported cost of manufacturing.

2. Test of Home Market Sales Prices

We compared the adjusted, weighted-average, COP for Samyang and Sam Young to its home market or Canadian market sales of the foreign like product. The prices were net of movement charges, taxes, rebates, commissions, and other direct and indirect selling expenses. This is accordance with 773(b) of the Act, and was done 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 quantities [4] and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time.

3. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in ''substantial quantities.'' Where 20 percent or more of a respondent's sales of a given product during the POI were at prices less than the COP, we determined 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. Because we compared prices to

[4] 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 normal value.

the POI average COP, we also determined 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.

We found that, for certain models of PSF, more than 20 percent of Samyang's and Sam Young's respective comparison market sales were made within an extended period of time at prices less than the COP. Further, the prices did not provide for the recovery of costs within a reasonable period of time. We, therefore, disregarded the below-cost sales and used the remaining sales as the basis for determining normal value, in accordance with section 773(b)(1) of the Act.

For those U.S. sales of PSF for which there were no comparable comparison market sales in the ordinary course of trade, we compared EPs to CV in accordance with section 773(a)(4) of the Act. *See* the section on Calculation of Normal Value Based on Constructed Value below.

C. Calculation of Normal Value Based on Comparison Market Prices

We performed price-to-price comparisons where there were sales of comparable merchandise in the comparison market that did not fail the cost test. We calculated NV based on FOB or delivered prices to comparison market customers. We made deductions from the starting price, where appropriate, for movement expenses and discounts. In accordance with sections 773(a)(6) (A) and (B) of the Act, we deducted comparison market packing costs and added U.S. packing costs. In addition, we made circumstances of sale (COS) adjustments for direct expenses in accordance with section 773(a)(6)(C)(iii) of the Act.

When comparing U.S. sales with comparison market sales of similar, but not identical, merchandise, we also made adjustments to NV for physical differences in the merchandise pursuant to section 773(a)(6)(C)(ii) of the Act. We based this adjustment on the difference in the variable costs of manufacturing for the foreign like product and the subject merchandise, using POI-average costs.

We also made adjustments, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred in the comparison market or U.S. sales where commissions were granted on sales in one market but not in the other (the ''commission offset''). Specifically, where commissions were granted in the comparison market but not in the U.S. market, we made an upward adjustment to NV for the lesser of (1) the amount of the commission paid in the comparison market, or (2) the amount of indirect selling expenses incurred in the U.S. market. Company-specific adjustments of NV are described below.

Samyang

We calculated normal value based on FOB or delivered prices to unaffiliated purchasers in the home market and made deductions for the following movement expenses: foreign inland freight and loading fees. We made COS adjustments by deducting direct selling expenses incurred for home market sales (credit expenses, technical services charges, and bank negotiation fees) and adding U.S. direct selling expenses (credit expenses, letter of credit fees, bank charges, and postage charges) in accordance with section 773(a)(6)(C)(iii) of the Act.

Sam Young

We calculated normal value based on FOB prices to unaffiliated purchasers in the Canadian market and made deductions for the following movement expenses: foreign inland freight, wharfage, container taxes, terminal handling fees, and brokerage and handling. We made COS adjustments by deducting direct selling expenses incurred for third-country market sales (credit expenses, bill of lading charges, letter of credit fees, wire transfer fees, and document handling fees) and adding U.S. direct selling expenses (credit expenses, bill of lading charges, letter of credit fees, wire transfer fees, and document handling fees) in accordance with section 773(a)(6)(C)(iii) of the Act. We offset commission expenses in accordance with section 351.410(e) of the Department's regulations in the manner described above.

D. Calculation of Normal Value Based on Constructed Value

Section 773(a)(4) of the Act provides that where normal value cannot be based on comparison market sales, normal value may be based on the constructed value. Accordingly, for Samyang and Sam Young, for those models of PSF for which we could not determine the NV based on comparison market sales, either because (1) there were no sales of a comparable product, or (2) all sales of comparison products failed the COP test, we based NV on the CV. In addition, for Geum Poong, which did not have a viable comparison market, we based NV on CV.

Sections 773 (e)(1) and (e)(2)(A) of the Act provide that the CV shall be based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for selling, general, and administrative expenses (SG&A), profit, and U.S. packing costs. For Samyang and Sam Young, we calculated the cost of materials and fabrication based on the methodology described in the Calculation of COP section above. We based SG&A and profit for Samyang and Sam Young on the actual amounts reported as 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, in accordance with section 773(e)(2)(A) of the Act. Because there is no viable comparison market for Geum Poong and, hence, no company-specific profit or non-U.S. selling expenses, we calculated Geum Poong's profit and selling expenses in accordance with section 773(e)(2)(B)(iii) of the Act. Specifically, we calculated weighted average amounts for selling expenses and profit based on the selling expenses incurred and profit earned by Samyang and Sam Young in their respective comparison markets on sales in the ordinary course of trade. Consistent with section 351.405(b)(2) of the Department's regulations and section 773(e)(2)(B)(iii) of the Act, this profit amount does not exceed the amount normally realized by exporters or producers in connection with the sale for consumption in the home market of merchandise that is in the same general category of products as the subject merchandise, represented by Samyang's home market profit.

In addition, for each respondent we added U.S. packing costs as described in the Export Price section of this notice.

We made adjustments to CV for differences in COS in accordance with section 773(e)(8) of the Act and 19 CFR 351.410. We made COS adjustments by deducting direct selling expenses incurred on comparison market sales and adding U.S. direct selling expenses.

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 as the EP or constructed export price (CEP) transaction. The normal value level of trade 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 EP, the U.S. level of trade is also the level of the starting-price sale, which is usually from exporter to importer. For CEP, it is the level of the constructed sale from the exporter to the importer.

In this case, the respondents made only EP sales in the United States during the POI. To determine whether normal value sales are at a different level of trade than EP, we examine 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 level of trade and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which normal value is based and comparison market sales at the level of trade of the export transaction, we make a level-of-trade adjustment under section 773(a)(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).

In implementing these principles in this investigation, we obtained information from Samyang and Sam Young about the channels of distribution involved in the reported U.S. and comparison market sales, including a description of the selling activities performed by the respondents for each channel of distribution. In identifying levels of trade for EP and comparison market sales, we considered the selling functions reflected in the starting price before any adjustments.

Samyang

In this investigation, we found that Samyang has three channels of distribution in the home market and two channels for U.S. sales. In both the U.S. and home markets, Samyang sells to end users and distributors. In the home market, Samyang also sells to distributors which not only distribute PSF, but also use it for their own production. For each of the channels of distribution in the U.S. and home markets, Samyang provides the same selling functions, though it provides the functions to varying degrees. We found that these selling functions were minimal in both the U.S. and home markets.

Because the same selling functions are performed in each channel in each market, despite variations in degree for certain functions, we found a single level of trade in the United States, and a single, identical level of trade in the home market. Thus, it was unnecessary to make any level-of-trade adjustment for comparison of EP and home market prices.

Sam Young

In this investigation, we found that Sam Young has one channel of distribution in the comparison market and one channel in the U.S. market. In both the U.S. and comparison markets, Sam Young sells to distributors. For each of these channels of distribution, Sam Young provides the same selling functions and to the same degree. In both the comparison market and the U.S. market, Sam Young generally makes the same freight and delivery arrangements. Packing is also the same in both markets.

Because the single channel of distribution in the Canadian market is the same as the single channel of distribution in the U.S. market, we found a single level of trade in the United States, and a single, identical level of trade in the comparison market. It was, thus, unnecessary to make any level-of-trade adjustment for comparison of EP and comparison market prices.

Geum Poong

In this investigation, we found that Geum Poong has one channel of distribution in the U.S. market. Geum Poong had no viable home or third country markets. When normal value is based on constructed value, the normal value level of trade is that of the sales from which we derive SG&A expenses and profit (*see Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Fresh Atlantic Salmon from Chile,* 63 FR 2664 (January 16, 1998)). For Geum Poong, we based selling expenses and profit on a weighted average of selling expenses incurred and profits earned by Samyang and Sam Young. Because Sam Young's and Samyang's comparison market selling functions do not vary significantly from Geum Poong's U.S. selling functions, we made no level-of-trade adjustment for Geum Poong.

Currency Conversions

We made currency conversions in accordance with section 773A of the Act. From early March to early May 1998, there was a sustained movement (appreciation) in the value of the Korean won (*see* Policy Bulletin 96–1, *Notice: Change in Policy Regarding Currency Conversions,* 61 FR 9434 (March 8, 1996)). In accordance with the policy described in the Policy Bulletin, we applied a fixed exchange rate for the 60-calendar day period following the sustained movement. That exchange rate was taken from the last day of the sustained movement period, *i.e.,* the last day of the so-called ''recognition period.''

For the remainder of the POI, we followed the Department's practice of using daily exchange rates from the Federal Reserve Bank to convert foreign currencies into U.S. dollars, except where the daily rate involves a fluctuation. A fluctuation occurs where the actual daily rate differs from the benchmark rate by 2.25 percent. The benchmark is defined as the moving average of daily rates for the past 40 business days. When we determine that a fluctuation exists, we substitute the benchmark rate for the daily rate.

Verification

In accordance with section 782(i) of the Act, we intend to verify information to be used 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 entries of PSF from Korea produced or exported by the companies listed below that are entered, or withdrawn from warehouse, for consumption on or after 90 days prior to the date of publication of this notice in the **Federal Register**. For companies not listed below (*i.e.,* ''all others''), we are directing the Customs Service to suspend liquidation of all entries of PSF from Korea 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 the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value 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 as follows:

Exporter/producer	Weighted-average margin (percent)
Samyang Corporation	3.51
Sam Young Synthetics Co.	6.33
Geum Poong Corporation	26.39
All Others	7.99

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary determination. If our final antidumping determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. 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.

Disclosure

We will disclose the calculations used in our analysis to parties in this proceeding within five days of the publication of this notice. *See* 19 CFR 351.224(b).

Public Comment

For this investigation, case briefs must be submitted no later than February 15, 2000. Rebuttal briefs must be filed no later than February 22, 2000. 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 of rebuttal briefs, provided that such a hearing is requested by any interested party. 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 a hearing is requested, it will be held on February 25, 2000, 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.

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

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

Dated: October 28, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–29208 Filed 11–5–99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–828]

Silicomanganese From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: The Department of Commerce (''the Department'') is conducting the first administrative review of the antidumping duty order on silicomanganese from the People's Republic of China (''PRC'') in response to requests by the respondents, Guangxi Bayi Ferroalloy Works (''Bayi''), and Sichuan Emei Ferroalloy Import and Export Co., Ltd (''Emei''). The period of review (''POR'') is December 1, 1997 through November 30, 1998.

We have preliminarily determined that U.S. sales of subject merchandise by Bayi and Emei have been made below normal value (''NV''). Since both Bayi and Emei submitted full responses to the antidumping questionnaires and it has been established that they are sufficiently independent, they are entitled to separate rates. If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Customs Service to assess antidumping duties on entries from Bayi and Emei.

Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: November 8, 1999.

FOR FURTHER INFORMATION CONTACT: Timothy Finn or Paige Rivas, AD/CVD Enforcement Group II, Office IV, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–0065 or (202) 482–0651 respectively.

APPLICABLE STATUTE AND REGULATIONS: Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (''the Act''), are references to the provisions as of 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's regulations are to the regulations at 19 CFR part 351 (1998).

SUPPLEMENTARY INFORMATION:

Background

The Department received a request for administrative review from Bayi and Emei on December 17, 1998. We published a notice of initiation of this review on January 25, 1999 (64 FR 3682).

On January 29, 1999, we issued antidumping questionnaires to Bayi and Emei. The Department received responses from both Bayi and Emei to Section A on March 5, 1999 and Sections C and D on March 22, 1999.

We issued supplemental questionnaires to Bayi and Emei on April 12, 1999. The responses to these supplemental questionnaires were received on May 5, 1999. On July 12, 1999, the Department issued additional supplemental questionnaires to Bayi and Emei. The responses to the second supplemental questionnaires were received on August 2, 1999.

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for issuing a preliminary determination in an administrative review if it determines that it is not practicable to complete the preliminary review within the statutory time limit of 245 days. On August 25, 1999, the Department published a notice of extension of the time limit for the preliminary results in this case to November 1, 1999 (64 FR 46350).

On October 12, 1999, Bayi and Emei and petitioner, Eramet Marietta Inc. (''Eramet''), submitted publicly available information and comments for consideration in valuing the factors of production used in our NV calculations.

Scope of Review

The merchandise covered by this order is silicomanganese. Silicomanganese, which is sometimes called ferrosilicon manganese, is a ferroalloy composed principally of manganese, silicon, and iron, and normally containing much smaller proportions of minor elements, such as carbon, phosphorous and sulfur. Silicomanganese generally contains by weight not less than 4 percent iron, more than 30 percent manganese, more than 8 percent silicon and not more than 3 percent phosphorous. All compositions, forms and sizes of silicomanganese are included within the scope of this investigation, including silicomanganese slag, fines and briquettes. Silicomanganese is used primarily in steel production as a source of both silicon and manganese. This investigation covers all silicomanganese, regardless of its tariff classification. Most silicomanganese is currently classifiable under subheading 7202.30.0000 of the Harmonized Tariff Schedule of the United States (''HTS''). Some silicomanganese may also currently be classifiable under HTS subheading 7202.99.5040. Although the