

Producer/Manufacturer/Exporter	Percentage Margin
Wieland .....	16.18

Any interested party may request a hearing within thirty days of publication. See 19 CFR 351.310(c). If requested, a hearing will be held 44 days after the publication of this notice, or the first workday thereafter. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments, not later than 120 days after the date of publication of this notice.

#### Assessment Rate

In the event these preliminary results are made final, we intend to assess antidumping duties on Wieland's entries at the same rate as the dumping margin (*i.e.*, 16.18 percent) since the margin is not a current calculated rate for the respondent, but a rate based upon total facts available pursuant to section 776(b) of the Act.

#### Cash Deposit

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) the cash deposit rate for Wieland will be the rate established in the final results of this administrative review (no deposit will be required for a zero or *de minimis* margin, *i.e.*, a margin lower than 0.5 percent); (2) for merchandise exported by manufacturers or exporters not covered in these reviews but covered in a previous segment of this proceeding, the cash deposit rate will be the company-specific rate published for the most recent segment; (3) if the exporter is not a firm covered in this review, a prior 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; and (4) if neither the exporter nor the manufacturer is a firm covered in these or any prior review, the cash deposit rate will be 7.30 percent, the all others rate established in the LTFV investigation. These deposit

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 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: March 31, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 99-8485 Filed 4-5-99; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-412-810]

#### Certain Hot-Rolled Lead and Bismuth Carbon Steel Products from the United Kingdom: Preliminary Results of Antidumping Administrative Review

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

**ACTION:** Notice of preliminary results of antidumping duty administrative review.

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom in response to requests by respondent, British Steel Engineering Steels Limited (BSES), and petitioners, Ispat Inland Inc. and USS/KOBE Steel Co. This review covers the period March 1, 1997, through February 28, 1998.

We have preliminarily determined that sales have been made below normal value (NV). Interested parties are invited to comment on these preliminary results. If these preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service to assess antidumping duties on all appropriate entries.

**EFFECTIVE DATE:** April 6, 1999.

**FOR FURTHER INFORMATION CONTACT:** Rebecca Trainor or Katherine Johnson, Office 5, AD/CVD Enforcement Group II, Import Administration, Room B099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482-4007, or 482-4929, 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 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 the regulations at 19 CFR Part 351 (1998).

#### SUPPLEMENTARY INFORMATION:

##### Background

On March 22, 1993, the Department published in the **Federal Register** the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom (58 FR 15324).

On March 11, 1998, we published in the **Federal Register** (62 FR 11868) a notice of opportunity to request an administrative review of the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom covering the period March 1, 1997, through February 28, 1998.

In accordance with 19 CFR 351.213(b)(1), both BSES and petitioners requested that we conduct this administrative review. We published a notice of initiation of this antidumping duty administrative review on April 24, 1998 (63 FR 20378).

On April 28, 1998, petitioners requested that the Department determine whether antidumping duties have been absorbed by BSES. On January 29, 1999, the Department requested proof that unaffiliated purchasers will ultimately pay the antidumping duties to be assessed on entries during the review period.

The Department is conducting this administrative review in accordance with section 751 of the Act.

#### Scope of the Review

The products covered by this review are hot-rolled bars and rods of nonalloy or other alloy steel, whether or not descaled, containing by weight 0.03 percent or more of lead or 0.05 percent or more of bismuth, in coils or cut lengths, and in numerous shapes and sizes. Excluded from the scope of this

review are other alloy steels (as defined by the *Harmonized Tariff Schedule of the United States* (HTSUS) Chapter 72, note 1 (f)), except steels classified as other alloy steels by reason of containing by weight 0.4 percent or more of lead, or 0.1 percent or more of bismuth, tellurium, or selenium. Also excluded are semi-finished steels and flat-rolled products. Most of the products covered in this review are provided for under subheadings 7213.20.00.00 and 7214.30.00.00 of the HTSUS. Small quantities of these products may also enter the United States under the following HTSUS subheadings: 7213.31.30.00; 7213.31.60.00; 7213.39.00.30; 7213.39.00.60; 7213.39.00.90; 7213.91.30.00; 7213.91.45.00; 7213.91.60.00; 7213.99.00; 7214.40.00.10, 7214.40.00.30, 7214.40.00.50; 7214.50.00.10; 7214.50.00.30, 7214.50.00.50; 7214.60.00.10; 7214.60.00.30; 7214.60.00.50; 7214.91.00; 7214.99.00; 7228.30.80.00; and 7228.30.80.50. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

#### Duty Absorption

On April 28, 1998, the petitioners requested that the Department determine whether antidumping duties had been absorbed during the POR. Section 751(a)(4) of the Act provides for the Department, if requested, to determine during an administrative review initiated two or four years after the publication of the order, whether antidumping duties have been absorbed by a foreign producer or exporter, if the subject merchandise is sold in the United States through an affiliated importer. In this case, BSES sold to the United States through an importer that is affiliated within the meaning of section 751(a)(4) of the Act.

Section 351.213(j)(2) of the Department's regulations provides that for transition orders (*i.e.*, orders in effect on January 1, 1995), the Department will conduct duty absorption reviews, if requested, for administrative reviews initiated in 1996 or 1998. Because the order underlying this review was issued prior to January 1, 1995, and this review was initiated in 1998, we will make a duty absorption determination in this segment of the proceeding.

On January 29, 1998, the Department requested proof that unaffiliated purchasers will ultimately pay the antidumping duties to be assessed on entries during the review period. BSES did not respond to the Department's request for information. Based on the

record, we cannot conclude that the unaffiliated purchasers in the United States will pay the ultimately assessed duty. Furthermore, we have preliminarily determined that there is a dumping margin on 66 percent of BSES' U.S. sales during the POR. Therefore, we find that antidumping duties have been absorbed by BSES on 66 percent of its U.S. sales.

#### Fair Value Comparisons

To determine whether sales of the subject merchandise by BSES to the United States were made at less than NV, we compared export price (EP) to the NV, as described in the "Export Price" and "Normal Value" sections of this notice.

Pursuant to section 777(A)(d)(2), we compared the EPs of individual U.S. transactions to the monthly weighted-average NV of the foreign like product where there were sales made at prices above the cost of production (COP), as discussed in the "Cost of Production Analysis" section, below, and were otherwise in the ordinary course of trade.

#### Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by BSES covered by the description in the "Scope of the Review" section, above, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales made in the home market within the contemporaneous window period, which extends from three months prior to the U.S. sale until two months after the sale. Where there were no sales of identical merchandise in the home market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to the most similar foreign like product made in the ordinary course of trade. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondents in the following order: chemical composition, shape, cut (*i.e.*, coil or cut-to-length), size, and grade.

Consistent with our practice (*see, e.g., Final Results of Antidumping Duty Administrative Review: Cold-Rolled Carbon Steel Flat Products from the Netherlands*, 61 FR 48465, September 13, 1996), we compared prime quality models sold in the United States to identical prime quality models sold in the home market. Where no home market sales of identical prime quality models made in the ordinary course of trade existed, we compared the U.S. sales of prime quality models to the

most similar prime quality foreign like product made in the ordinary course of trade, based on the characteristics listed above. There were no U.S. sales of second quality models during the POR.

#### Export Price

We based United States price on EP, as defined in section 772(a) of the Act, because the merchandise was sold directly by the exporter to unaffiliated U.S. purchasers prior to the date of importation and constructed export price was not otherwise indicated by the facts of record. When sales are made prior to importation through an affiliated or unaffiliated U.S. sales agent to an unaffiliated customer in the United States, our practice is to examine several criteria in order to determine whether the sales are EP sales. Those criteria are: (1) whether the merchandise was shipped directly from the manufacturer to the unaffiliated U.S. customer; (2) whether this was the customary commercial channel between the parties involved; and (3) whether the function of the U.S. selling agent was limited to that of a "processor of sales-related documentation" and a "communications link" with the unaffiliated U.S. buyer. Where all three criteria are met, indicating that the activities of the U.S. selling agent are ancillary to the sale, the Department has determined the sales to be EP sales. *See, e.g., Notice of Final Results of Sales at Less Than Fair Value: Stainless Steel Wire Rod From Italy*, 63 FR 40422, 40424-25, July 29, 1998. In the instant review, the role of BSES' U.S. subsidiary was limited to providing marketing support and referring customer inquiries to the parent company. Thus, the above-referenced criteria have been met, and we have treated all U.S. sales as EP sales.

We calculated EP based on packed, delivered prices to customers in the United States. We made deductions, where applicable, for foreign inland freight, FOB charges in the United Kingdom, ocean freight, marine insurance, U.S. Customs duties, brokerage and handling charges, merchandise processing fees, and U.S. inland freight charges, in accordance with 19 CFR 351.402(a). We also made adjustments for invoice corrections.

#### Normal Value

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, the Department compared BSES's volume of home market sales of the foreign like product to its volume of U.S. sales of the subject merchandise, in accordance with

sections 773(a)(1) (B) and (C) of the Act. Because BSES' aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined that the home market provides a viable basis for calculating NV, in accordance with 19 CFR 351.404(b).

Many of BSES' home market sales were made to affiliated original equipment manufacturers (OEMs). It is the Department's practice, in situations where home market sales are made to affiliated parties, to determine whether it is appropriate to use such sales as the basis of NV by comparing the prices of those sales to the prices of sales to unaffiliated parties, on a model-by-model basis. See *Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of Antidumping Duty Orders; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, et al.*, 60 FR 10899, 10900, February 28, 1995; and 19 CFR 351.403(c). Because BSES made home market sales to affiliated OEMs during the period of review (POR), we tested these sales to ensure that, on average, the affiliated-party sales were made at arm's length. To conduct this test, we compared the weighted-average gross unit prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, invoice corrections, rebates, and packing. As a result of our arm's-length test, we disregarded sales to the affiliated OEM customers in the home market where the prices charged to an affiliated customer were on average less than 99.5 percent of the prices charged to unaffiliated customers. See *Final Results of Antidumping Duty Administrative Review; Certain Welded Carbon Steel Pipes and Tubes From Thailand* 62 FR 53809, 53817, October 16, 1997. We did not require BSES to provide downstream sales by the affiliated OEM customers because these customers further manufactured the subject merchandise into merchandise not covered by the order. BSES also sold through affiliated resellers to unaffiliated customers during the POR. BSES reported these unaffiliated-customer transactions, and we used them in our determination of NV. See 19 CFR 351.403(d).

In accordance with section 773(a)(1)(B)(i) of the Act, to the extent practicable, we based NV on sales at the same level of trade (LOT) as the EP sale. If NV was calculated at a different LOT, we made an adjustment, if appropriate and if possible, in accordance with

section 773(a)(7) of the Act. (See "Level of Trade" section below.)

#### 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 LOT as the EP transaction. 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 selling, general and administrative (SG&A) expenses and profit. For EP, the LOT is also the level of the starting-price sale, which is usually from the exporter to an unaffiliated U.S. customer. To determine whether NV sales are at a different LOT than EP sales, we examined 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.

While BSES did not claim a LOT adjustment, we have, nonetheless, undertaken an evaluation to determine whether such an adjustment was necessary. In so doing, we examined respondent's distribution systems, including selling functions, classes of customers, and selling expenses. BSES reported two channels of distribution in the home market: (1) sales produced to order and shipped from the mill directly to unaffiliated OEMs (Channel 1 sales); and (2) sales by affiliated resellers to unaffiliated OEMs (Channel 2 sales). In analyzing the information submitted, we found that the two home market channels differ with respect to selling activities. Channel 2 sales involved additional selling activities including: ordering by the reseller for its own account in anticipation of future customer orders; maintenance of inventory; small lot sales; cutting into short lengths; and rebundling into smaller weight bundles. None of these activities are typical of mill direct sales to Channel 1 customers. Further, we found that these channels constitute different stages in the marketing process. Based on this analysis, we find that the two home market channels of distribution comprise two LOTs.

BSES reported EP sales in the U.S. market, which were made to order by BSES, and shipped directly to OEMs in the United States. We found that EP

sales involved the same selling functions and therefore were sold at the same marketing stage as BSES' home market Channel 1 sales, described above. Therefore, we have determined that the LOT for all EP sales is the same as Channel 1 in the home market. Accordingly, we have compared the U.S. sales to sales at the same LOT in the home market when possible. If we found no contemporaneous home market Channel 1 sales of the identical or most similar product, we matched the EP sale to home market Channel 2 sales of that product. Because we compared sales at different LOTs in some instances, we examined whether a LOT adjustment was appropriate. Based on our analysis, we determined that there was a pattern of consistent price differences between the Channel 1 and Channel 2 LOTs in the home market. Therefore, when we compared sales at different LOTs, we made an adjustment in accordance with section 773(a)(7)(A) of the Act. (See Memorandum to the File from The Team dated March 31, 1999, for further explanation.)

#### Cost of Production Analysis

Pursuant to section 773(b) of the Act, for this POR, we initiated an investigation of sales at less than the COP. We performed this analysis because, in the final results of the most recent administrative review of BSES, we disregarded BSES' home market sales that were below the COP. See *Final Results of Antidumping Duty Administrative Review; Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom*, 62 FR 18744, April 17, 1997. Therefore, in accordance with section 773(b)(2)(A)(ii) of the Act, we had reasonable grounds to believe or suspect that BSES made sales at less than the COP during this review period. Before making any NV comparisons, we conducted the COP analysis described below.

##### A. Calculation of COP

We calculated the COP based on the sum of BSES' cost of materials and fabrication employed in producing the foreign like product, plus amounts for home market general and administrative expenses. We relied on the home market sales and COP information provided by BSES in its questionnaire responses.

##### B. Test of Home Market Prices

After calculating COP, we tested whether home market sales of hot-rolled lead and bismuth carbon steel were made at prices below the COP within an extended period of time in substantial quantities, and whether such prices permitted recovery of all costs within a

reasonable period of time. We compared the model-specific COP to the reported home market prices less any applicable invoice corrections, movement charges, rebates, direct and indirect selling expenses, and packing costs.

**C. Results of COP Test**

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of the respondent's sales of a specific model 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 the respondent's sales of a specific model during the POR were at prices less than the COP, we disregarded the below-cost sales because we determined that the below-cost sales 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

because, based on our comparisons of prices to weighted-average COPs for the POR, we determined that the below-cost sales of the product were at prices which would not permit recovery of all costs within a reasonable period of time, as defined in section 773(b)(2)(D) of the Act. Based on this test, we disregarded certain below-cost home market sales made by BSES.

**Price-to-Price Comparisons**

Pursuant to section 777A(d)(2) of the Act, we compared the EPs of individual transactions to the monthly weighted-average price of sales of the foreign like product where there were sales at prices above COP, as discussed above. We based NV on packed, delivered prices to unaffiliated purchasers in the home market, and to affiliated purchasers in the home market to the extent that prices were at arm's length. We made adjustments to home market price, where applicable, in accordance with

section 773(a)(6) of the Act, for invoice corrections, rebates, and inland freight. We also made a circumstance-of-sale adjustment for differences in credit, credit insurance and warranty expenses pursuant to section 773(a)(6)(C)(iii) of the Act. In order to adjust for differences in packing between the two markets, we increased home market price by the amount of U.S. packing costs and reduced it by the amount of home market packing costs. We made adjustments, where appropriate, for physical differences in merchandise, in accordance with section 773(a)(6)(C)(ii) of the Act, and for differences in LOT, in accordance with section 773(a)(7)(A) of the Act.

**Preliminary Results of the Review**

As a result of our comparison of EP and NV, we preliminarily determine that the following weighted-average dumping margin exists:

Manufacturer/exporter	Period	Margin (percent)
British Steel Engineering Steels Limited (BSES) (formerly United Engineering Steels Limited) .....	3/1/97-2/28/98	12.55

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 80 days after the date of publication or the first business day thereafter.

Issues raised in the hearing will be limited to those raised in the respective case briefs and rebuttal briefs. Case briefs from interested parties and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted not later than 70 days and 77 days, respectively, from the date of publication of these preliminary results. See 19 CFR 351.309(c) and (d). Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations and cases cited.

The Department will subsequently issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

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, Room B-099, within 30 days of the date of 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 issues to be discussed. See 19 CFR 351.310(c).

**Assessment Rates**

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate appraisal instructions directly to the Customs Service upon completion of this review. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties. We will instruct the Customs Service to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rate calculated in the final results of this review is above *de minimis*. For assessment purposes, we intend to calculate importer-specific assessment rates for the subject merchandise by aggregating the dumping margins calculated for all U.S. sales examined and dividing this amount by the total quantity sold.

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.

**Cash Deposit Requirements**

The following cash 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 of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be that established in the final results of this review, except if the rate is less than 0.50 percent, and therefore, *de minimis* within the meaning of 351.106(d)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less than fair value (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; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 25.82 percent, the "All Others" rate made effective by the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This administrative review and notice are published in accordance with section 751(a)(1) of the Act and 19 CFR 351.221.

Dated: March 31, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 99-8486 Filed 4-5-99; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-428-811]

#### **Certain Hot-Rolled Lead and Bismuth Carbon Steel Products from Germany: Preliminary Results of Antidumping Administrative Review**

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

**ACTION:** Notice of preliminary results of antidumping duty administrative review.

**SUMMARY:** The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from Germany in response to a request by the respondent, Saarstahl AG ("Saarstahl"). This review covers the period March 1, 1997, through February 28, 1998.

We have preliminarily determined that sales have not been made below normal value ("NV"). Interested parties are invited to comment on these preliminary results. If these preliminary results are adopted in our final results of administrative review, we will instruct the Customs Service not to assess antidumping duties on entries subject to this review.

**EFFECTIVE DATE:** April 6, 1999.

**FOR FURTHER INFORMATION CONTACT:** David J. Goldberger or Rebecca Trainor, Office 5, AD/CVD Enforcement Group II, Import Administration, Room B099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W.,

Washington D.C. 20230; telephone (202) 482-4136, or 482-4007, 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 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 the regulations at 19 CFR Part 351 (1998).

#### **SUPPLEMENTAL INFORMATION:**

##### **Background**

On March 22, 1993, the Department published in the **Federal Register** the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from Germany (58 FR 15324).

On March 11, 1998, we published in the **Federal Register** (62 FR 11868) a notice of opportunity to request an administrative review of the antidumping duty order on certain hot-rolled lead and bismuth carbon steel products from Germany covering the period March 1, 1997, through February 28, 1998.

In accordance with 19 CFR 351.213(b)(1), Saarstahl requested that we conduct an administrative review of its sales. We published a notice of initiation of this antidumping duty administrative review on April 24, 1998 (63 FR 20378).

On April 28, 1998, petitioners requested that the Department determine whether antidumping duties have been absorbed by Saarstahl. On January 29, 1999, the Department requested proof that unaffiliated purchasers will ultimately pay the antidumping duties to be assessed on entries during the review period.

The Department is conducting this administrative review in accordance with section 751 of the Act.

##### **Scope of the Review**

The products covered by this review are hot-rolled bars and rods of nonalloy or other alloy steel, whether or not descaled, containing by weight 0.03 percent or more of lead or 0.05 percent or more of bismuth, in coils or cut lengths, and in numerous shapes and sizes. Excluded from the scope of this review are other alloy steels (as defined by the *Harmonized Tariff Schedule of the United States* (HTSUS) Chapter 72, note 1 (f)), except steels classified as other alloy steels by reason of containing by weight 0.4 percent or more of lead, or 0.1 percent or more of bismuth, tellurium, or selenium. Also

excluded are semi-finished steels and flat-rolled products. Most of the products covered in this review are provided for under subheadings 7213.20.00.00 and 7214.30.00.00 of the HTSUS. Small quantities of these products may also enter the United States under the following HTSUS subheadings: 7213.31.30.00; 7213.31.60.00; 7213.39.00.30; 7213.39.00.60; 7213.39.00.90; 7213.91.30.00; 7213.91.45.00; 7213.91.60.00; 7213.99.00; 7214.40.00.10, 7214.40.00.30, 7214.40.00.50; 7214.50.00.10; 7214.50.00.30, 7214.50.00.50; 7214.60.00.10; 7214.60.00.30; 7214.60.00.50; 7214.91.00; 7214.99.00; 7228.30.80.00; and 7228.30.80.50. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

##### **Duty Absorption**

On April 28, 1998, the petitioners requested that the Department determine whether antidumping duties had been absorbed during the POR. Section 751(a)(4) of the Act provides for the Department, if requested, to determine during an administrative review initiated two or four years after the publication of the order, whether antidumping duties have been absorbed by a foreign producer or exporter, if the subject merchandise is sold in the United States through an affiliated importer. In this case, Saarstahl sold to the United States through an importer that is affiliated within the meaning of section 751(a)(4) of the Act.

Section 351.213(j)(2) of the Department's regulations provides that for transition orders (*i.e.*, orders in effect on January 1, 1995), the Department will conduct duty absorption reviews, if requested, for administrative reviews initiated in 1996 or 1998. Because the order underlying this review was issued prior to January 1, 1995, and this review was initiated in 1998, we will make a duty absorption determination in this segment of the proceeding. As we have preliminarily found that there is no dumping margin for Saarstahl with respect to its U.S. sales, we have also preliminarily found that there is no duty absorption.

##### **Fair Value Comparisons**

To determine whether sales of the subject merchandise by Saarstahl to the United States were made at less than NV, we compared export price ("EP") to the NV, as described in the "Export Price" and "Normal Value" sections of this notice.