United States, quality inspection costs, and product liability premiums.

For ESP comparisons, we made further deductions for credit expense and commissions. We deducted third country indirect selling expenses, capped by the amount of U.S. indirect selling expenses, in accordance with 19 CFR 353.56(b).

We made no adjustments for packing because the respondent reported that the OCTG was not packed before shipment.

For certain sales, TAMSA had not yet shipped or received payment for the sale. In order to calculate credit expenses, we applied the same methodology described above for USP.

Currency Conversion

Because certified exchange rates for Mexico were unavailable from the Federal Reserve, we made currency conversions for expenses denominated in Mexican pesos based on the official monthly exchange rates in effect on the dates of the U.S. sales as published by the International Monetary Fund.

Verification

As provided in section 776(b) of the Act, we will verify the information used in making our final determination.

Preliminary Margin Calculation

Based on the calculation methodology outlined above, we preliminarily calculated the following margins:

Manufacturer/producer/exporter	Margin Percentage
Tubos de Acero de Mexico, S.A	00.00
All others	00.00

ITC Notification

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

If our final determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, a U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies may be submitted by any interested party to the Assistant Secretary for Import Administration no later than March 6, 1995, and rebuttal briefs no later than March 13, 1995. We request that parties in this case provide an executive summary of no more than two pages in conjunction with case briefs on the major issues to be addressed. Further, briefs should contain a table of authorities. Citations to Commerce determinations and court decisions should include the page number where cited information appears. In preparing the briefs, please begin each issue on a separate page. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to give interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on March 20, 1995, at 10:00 a.m. at the U.S. Department of Commerce, Room 1851, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B–099, within ten days of the publication of this notice in the **Federal Register**. Requests should contain: (1) The party's name, address, telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to the issues raised in the briefs. This determination is published pursuant to section 733(f) of the Act (19 U.S.C. 1673b(f)) and 19 CFR 353.15(a)(4).

Dated: January 26, 1995.

Susan G. Esserman,

Assistant Secretary for Import Administration.

[FR Doc. 95–2615 Filed 2–1–95; 8:45 am]

BILLING CODE 3510–DS–P

[A–433–805]

Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Oil Country Tubular Goods From Austria

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

EFFECTIVE DATE: February 2, 1995.

FOR FURTHER INFORMATION CONTACT: William Crow or Lisa Girardi, Office of Antidumping Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–0116 or (202) 482–4105, respectively.

Preliminary Determination

We preliminarily determine that oil country tubular goods (OCTG) from Austria are being sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The estimated margins are shown in the ''Suspension of Liquidation'' section of this notice.

Case History 1

Since the initiation of this investigation on July 27, 1994 (59 FR 37962, July 20, 1994), the following events have occurred.

On August 15, 1994, the U.S. International Trade Commission (ITC) issued an affirmative preliminary injury determination in this proceeding (see ITC Investigation No. 701–TA–363).

On August 26, 1994, the Department of Commerce (the Department) selected Voest-Alpine Stahlrohr Kindberg GmbH (Kindberg) as the sole mandatory respondent in the investigation, within the meaning of 19 CFR 353.42(b)(1), since this respondent accounts for at least 60 percent of exports of OCTG from Austria during the period of investigation (see the August 26, 1994, memorandum from David L. Binder to Richard W. Moreland, for more detailed information). Also that day, the Department issued an antidumping questionnaire to Kindberg.

On October 5, 1994, the Department determined that Kindberg's home market was not viable and determined that Russia was the appropriate third country market for this investigation (see the October 5, 1994, memorandum from David L. Binder to Richard W. Moreland). In their June 30, 1994, petition, the petitioners alleged that Kindberg's sales to Russia are at prices below the cost of production (COP). In our notice of initiation the Department stated that, based on the allegation in the petition, if there were not a viable home market for Kindberg, the Department would commence an investigation of sales below the cost of production with respect to third country sales. In the above-referenced October 5, 1994, decision memorandum, the Department determined that since Russian sales were the proper basis for FMV, the Department would investigate whether such sales were made below COP.

The Department received initial questionnaire responses in September and October 1994 and deficiency responses in November and December 1994. The Department issued additional deficiency letters on January 9 and January 23, 1995. The responses to these letters are due on January 27, 1995, after the preliminary determination.

On November 10, 1994, Koppel Steel Corporation, U.S. Steel Group (a unit of

USX Corporation) and USS/Kobe Steel Company, (the petitioners), timely requested that the Department postpone the preliminary determination in accordance with section 733(c)(1) of the Act (19 U.S.C. 1673b(c) (1)), and 19 CFR 353.15(c). We did so on November 15, 1994 (59 FR 60130, November 22, 1994).

On January 25, 1995, Kindberg requested that, in the event of an affirmative preliminary determination, the Department postpone the final determination in accordance with 19 CFR 353.20(b)(1).

Scope of Investigation

For purposes of this investigation, OCTG are hollow steel products of circular cross-section, including oil well casing, tubing, and drill pipe, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). This scope does not cover casing, tubing, or drill pipe containing 10.5 percent or more of chromium. The OCTG subject to this investigation are currently classified in the *Harmonized Tariff Schedule of the United States* (HTS) under item numbers:

7304.20.10.00, 7304.20.10.10, 7304.20.10.20, 7304.20.10.30, 7304.20.10.40, 7304.20.10.50, 7304.20.10.60, 7304.20.10.80, 7304.20.20.00, 7304.20.20.10, 7304.20.20.20, 7304.20.20.30, 7304.20.20.40, 7304.20.20.50, 7304.20.20.60, 7304.20.20.80, 7304.20.30.00, 7304.20.30.10, 7304.20.30.20, 7304.20.30.30, 7304.20.30.40, 7304.20.30.50, 7304.20.30.60, 7304.20.30.80, 7304.20.40.00, 7304.20.40.10, 7304.20.40.20, 7304.20.40.30, 7304.20.40.40, 7304.20.40.50, 7304.20.40.60, 7304.20.40.80, 7304.20.50.10, 7304.20.50.15, 7304.20.50.30, 7304.20.50.45, 7304.20.50.50, 7304.20.50.60, 7304.20.50.75, 7304.20.60.10, 7304.20.60.15, 7304.20.60.30, 7304.20.60.45, 7304.20.60.50, 7304.20.60.60, 7304.20.60.75, 7304.20.70.00, 7304.20.80.00, 7304.20.80.30, 7304.20.80.45, 7304.20.80.60, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.20.10.30, 7306.20.10.90, 7306.20.20.00, 7306.20.30.00, 7306.20.40.00, 7306.20.60.10, 7306.20.60.50, 7306.20.80.10, and 7306.20.80.50.

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

Period of Investigation

The period of investigation (POI) is January 1, 1994, through June 30, 1994.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994.

Such or Similar Comparisons

We have determined for purposes of the preliminary determination that the OCTG covered by this investigation comprises a single category of ''such or similar'' merchandise within the meaning of section 771(16) of the Act.

The respondent reported sales of both identical and similar merchandise in Russia during the POI. Where there were no sales of identical merchandise in the third country to compare to U.S. sales, we made similar merchandise comparisons on the basis of the characteristics listed in Appendix V of the Department's antidumping questionnaire. However, we modified the matching hierarchy in Appendix V so that, whenever possible, U.S. sales of OCTG tubing would be matched to Russian sales of OCTG tubing and U.S. sales of OCTG casing would be matched to Russian sales of OCTG casing, by making that the primary matching criterion. We also took into account Kindberg's sales of proprietary finishing grades, by including minimum/maximum yield strengths and tensile strengths as a criterion in the matching hierarchy. Thus we made similar merchandise comparisons on the basis of: (1) Whether OCTG is casing or tubing, (2) whether OCTG is seamless or welded; (3) the grade of OCTG finish; (4) the minimum/maximum yield strength and tensile strength, (5) end finish; (6) outside diameter, (7) OCTG length, (8) full-body normalization; and (9) wall thickness (see the January 20, 1995, memorandum from William Crow to David Binder for detailed discussion of the product analysis). Kindberg had incorrectly reported multiple costs instead of one POI cost for unique products. After weight-averaging the multiple costs reported for unique products to derive single POI costs specific to each product model, we made adjustments, where appropriate, for differences in the physical characteristics of the merchandise, in accordance with 773(a)(4)(C) of the Act.

Fair Value Comparisons

To determine whether Kindberg's sales of OCTG from Austria to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the ''United States Price'' and ''Foreign Market Value'' sections of this notice.

United States Price

We based USP on purchase price, in accordance with section 772(b) of the Act, because the subject merchandise was sold to an unrelated purchaser before importation into the United States and because exporter's sales price methodology was not otherwise indicated. We calculated USP on the basis of packed CIF Houston, duty paid prices to unrelated customers. In accordance with section 772(d)(2)(A) of the Act, we made deductions from U.S. price, where appropriate, for foreign brokerage charges, foreign inland freight, ocean freight, foreign inland and marine insurance, and U.S. duty.

Foreign Market Value

We compared the volume of home market sales of subject merchandise to the volume of third country sales to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating FMV, in accordance with section 773(a)(1)(B) of the Act. Pursuant to 19 CFR 353.48, we found that the home market was not viable because it represented less than five percent of the amount sold to third countries. We therefore based FMV on third country sales.

We determined, pursuant to 19 CFR 353.49(b), that Russia is the most appropriate third country market because: (1) The merchandise exported to Russia is most similar or identical to the merchandise exported to the United States; (2) the volume of Kindberg's Russian sales during the POI was the largest of any third country; and (3) Kindberg's sales to Russia were to an OCTG market whose organization and developement were similar to that of the U.S. market, based on our analysis of the sales and distribution process for those sales.

Cost of Production Analysis

As stated above, based on the petitioners' allegation that Kindberg was selling OCTG in Russia at prices below its COP, the Department initiated a COP investigation for the Russian sales of Kindberg. In order to determine whether the third country prices were above Kindberg's COP, we calculated the COP based on the sum of Kindberg's cost of

materials, fabrication, general expenses, and packing. Given the effect which they would have on Kindberg's reported COP, we did not adjust the reported standard costs for reported variances because Kindberg failed to explain and document these variances. In addition, information on the record contradicted the reported variances. A detailed and proprietary analysis of the nature of Kindberg's reporting discrepancies is contained in the Department's January 25, 1995, preliminary concurrence memorandum.

Results of COP Analysis

Under our standard practice, where we find that less than 10 percent of a company's sales of a given product were at prices below the COP, we do not disregard any below-cost sales because we determine that the company's below-cost sales were not made in substantial quantities. Where we find between 10 and 90 percent of the company's sales of a given product were at prices below the COP, and the below cost sales were made over an extended period of time, we disregard only the below-cost sales. Where we find that more than 90 percent of the company's sales of a given product were at prices below the COP, and the sales were made over an extended period of time, we disregard all sales for that product and calculate FMV based on constructed value (CV).

In accordance with section 773(b)(1) of the Act, in order to determine whether below-cost sales had been made over an extended period of time, we compare the number of months in which below-cost sales occurred for each product to the number of months in the POI in which that product was sold. If a product was sold in three or more months of the POI, we do not exclude below-cost sales unless there were below-cost sales in at least three months during the POI. When we find that sales of a product only occurred in one or two months, the number of months in which the sales occurred constituted the extended period of time; *i.e.*, where sales of a product were made in only two months, the extended period of time was two months, where sales of a product were made in only one month, the extended period of time was one month (*see* the *Preliminary Results and Partial Termination of Antidumping Duty Administrative Review: Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan* (58 FR 69336, 69338, December 10, 1993).

Based on this preliminary analysis, for U.S. sales of certain products, there were adequate Russian sales made above the cost of production to serve as FMV. For U.S. sales of other products, there were not. In such cases, we matched U.S. sales to CV.

Constructed Value Comparisons

We calculated CV based on the sum of Kindberg's cost of materials, fabrication, general expenses, profit and U.S. packing; we did not use the reported variances from standard costs reported because Kindberg failed to fully explain and document these variances. For general expenses, which includes selling and financial expenses (SG&A), we used the greater of the reported general expenses or the statutory minimum of ten percent of the cost of materials and fabrication. For profit, we used the greater of the weighted-average third country profit during the POI or the statutory minimum of eight percent of the cost of materials, fabrication and general expenses, in accordance with section 773(e)(B) of the Act.

Third-Country Sales Comparisons

Where appropriate, we calculated FMV based on delivered prices to unrelated customers in Russia and to unrelated international trading companies whose customers in Russia were known to Kindberg at the time of Kindberg's sale to the trading company.

In light of the Court of Appeals for the Federal Circuit's (CAFC) decision in Ad Hoc Committee of AZ–NM–TX–FL Producers of Gray Portland Cement v. United States, 13 F.3d 398 (Fed. Cir. 1994), the Department no longer can deduct third country market movement charges from FMV pursuant to its inherent power to fill in gaps in the antidumping statute. Instead, we will adjust for those expenses under the circumstance-of-sale provision of 19 CFR 353.56(a), as appropriate. Accordingly, in the present case, we deducted post-sale third-country market inland freight, inland insurance and foreign inland insurance from FMV as direct selling expenses under the circumstance-of-sale provision of 19 CFR 353.56(a).

We deducted home market packing costs and added U.S. packing costs in accordance with section 773(a)(1) of the Act. We also made circumstance-of-sale adjustments for direct selling expenses, which included credit, warranties, guarantees and commissions, in accordance with 19 CFR 353.56(a)(2). We deducted commissions incurred on third-country sales and added total U.S. indirect selling expenses, capped by the amount of home market commissions; those total U.S. indirect selling expenses included U.S. inventory carrying costs, indirect selling expenses incurred in Austria on U.S. sales and indirect selling expenses incurred in the United States.

Currency Conversion

Pursuant to 19 CFR 353.60, we made currency conversions based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Verification

As provided in section 776(b) of the Act, we will verify the information used in making our final determination.

Suspension of Liquidation

In accordance with section 733(d)(1) of the Act (19 U.S.C. 1673(d)(1)), we are directing the Customs Service to suspend liquidation of all entries of OCTG from Austria, as defined in the ''Scope of Investigation'' section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**.

The Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margin, as shown below. The suspension of liquidation will remain in effect until further notice.

Producer/manufacturer/exporter	Margin percentage
Voest-Alpine Stahlrohr Kindberg GmbH	36.73
All others	36.73

ITC Notification

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

If our final determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

Postponement of Final Determination

January 25, 1995, in accordance with 19 CFR 353.20(b), Kindberg timely requested that, in the event of an affirmative determination, the Department postpone the final determination. We find no compelling reason to deny the request. Accordingly, we are postponing the date of the final determination until not later than 135 days after the date of publication of this notice.

Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in

at least ten copies may be submitted by any interested party to the Assistant Secretary for Import Administration no later than March 8, 1995, and rebuttal briefs no later than March 15, 1995. We request that parties in this case provide an executive summary of no more than two pages in conjunction with case briefs on the major issues to be addressed. Further, briefs should contain a table of authorities. Citations to Commerce determinations and court decisions should include the page number where cited information appears. In preparing the briefs, please begin each issue on a separate page. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to give interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on March 22, 1995, at 1 p.m. at the U.S. Department of Commerce, Room 1414, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B–099, within ten days of the publication of this notice in the **Federal Register**. Requests should contain: (1) The party's name, address, telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to the issues raised in the briefs.

This determination is published pursuant to section 733(f) of the Act (19 U.S.C. 1673b(f)) and 19 CFR 353.15(a)(4).

Dated: January 26, 1995.

Susan G. Esserman,

Assistant Secretary for Import Administration.

[FR Doc. 95–2616 Filed 2–1–95; 8:45 am]

BILLING CODE 3510–DS-P

[A–475–816]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Oil Country Tubular Goods From Italy

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

EFFECTIVE DATE: February 2, 1995.

FOR FURTHER INFORMATION CONTACT: Bill Crow or Lisa Girardi, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C., 20230; telephone (202) 482–0116 or (202) 482–4105, respectively.

Preliminary Determination

We preliminarily determine that oil country tubular goods (OCTG) from Italy are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act) (19 U.S.C. 1673b).

Case History

Since the initiation of this investigation on July 20, 1994 (59 FR 37962, July 26, 1994), the following events have occurred.

On August 15, 1994, the U.S. International Trade Commission (ITC) issued an affirmative preliminary determination.

In July 1994, the Department requested information regarding manufacturers or exporters of the subject merchandise from the U.S. Embassy in Rome. The Embassy informed the Department that Dalmine S.p.A. (Dalmine) and Acciaierie Tubificio Arvedi S.p.A. (Arvedi) were the main exporters of the subject merchandise.

On August 26, 1994, based on statements from the petitioners and information from Metal Bulletin Books, Ltd., *Iron and Steel Works of the World* (10th ed. 1991), the Department issued a full antidumping questionnaire to Dalmine, and antidumping surveys to five other potential respondents: Alessio Tubi S.p.A., Tubimar Ancona S.p.A., Seta Tubi Srl, Arvedi, and General Sider Europa S.p.A. (General Sider). On September 8, 1994, we received a response from Tubimar Ancona S.p.A. stating that it did not export the subject merchandise during the POI. On September 13, 1994, we received a similar response from Alessio Tubi S.p.A. and a response from Seta Tubi Srl that it is no longer in existence. On September 22, 1994, we received volume and value information from Arvedi. We did not receive any response from General Sider, although we confirmed with the express delivery service that General Sider had received our survey on August 30, 1994 (see, the September 30, 1994, memorandum from Krysten Jenci to the file). To ensure that it understood our request for information, we sent General Sider another survey, containing additional explanation, on October 7, 1994. We confirmed with the express delivery service that General Sider received the survey on October 11, 1994 (see, the October 20, 1994, memorandum from Richard W. Moreland to Barbara R. Stafford).

On October 7, 1994, Arvedi notified the Department that it would not participate in the investigation. On October 20, 1994, after the Department had still not received a response from General Sider, we selected Dalmine, Arvedi, and General Sider as mandatory respondents in this investigation. Based on information on the record, the Department believes that these three companies account for at least 60 percent of exports of OCTG from Italy during the period of investigation (see, the October 3, 1994, memorandum from David L. Binder to Richard W. Moreland and the October 20, 1994, memorandum from Richard W. Moreland to Barbara R. Stafford).

On September 26, 1994, Dalmine submitted its response to section A of our August 26, 1994, questionnaire. In this response, Dalmine claimed that its home market was not viable, and that it should report third country sales data as a basis for foreign market value (FMV). In October 1994, Dalmine and the petitioners submitted comments on the home market viability issue.

On November 4, 1994, the Department determined that the home market was viable, and instructed Dalmine to report home market sales (*see* November 4, 1994 memorandum from Richard W. Moreland to Barbara R. Stafford). As a result of this decision, on November 30, 1994, Dalmine informed the Department that it would no longer participate in this investigation.

On November 10, 1994, North Star Steel Ohio (a division of North Star Steel Company) (the petitioners), timely requested that the Department postpone the preliminary determination in accordance with section 733(c)(1) of the Act (19 U.S.C. 1673b(c)(1)), and 19 CFR 353.15(c). We did so on November 15, 1994 (59 FR 60130, November 30, 1994).

Scope of Investigation

For purposes of this investigation, OCTG are hollow steel products of circular cross-section, including oil well casing, tubing, and drill pipe, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). This scope does not cover casing, tubing, or drill pipe containing 10.5 percent or more of chromium. The OCTG subject to this investigation are currently classified in the *Harmonized*