final results for which the manufacturer or exporter received an individual rate; (3) if the exporter is not a firm covered in this review, the previous review, or the original 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 this or any previous reviews, the cash deposit rate will be 4.80 percent, the ''all others'' rate established in the less-than-fair-value investigation. *See Pipe LTFV*.

This notice serves as a preliminary reminder to importers of their responsibility 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 administrative review and notice are in accordance with sections 751(a)(1) and 751(d) of the Act (19 U.S.C. 1675(a)(1)), 19 CFR 353.22.

Dated: December 1, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 97–32063 Filed 12–5–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–805]

Circular Welded Non-Alloy Steel Pipe and Tube From Mexico: Preliminary Results of Antidumping Duty Administrative Review and Partial Termination of Review

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

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

SUMMARY: In response to requests from two respondents, the Department of Commerce (''the Department'') is conducting an administrative review of the antidumping duty order on circular welded non-alloy steel pipe and tube from Mexico. This review covers two manufacturers and exporters of the subject merchandise. The period of review (''POR'') is November 1, 1995, through October 31, 1996.

With respect to Tuberia Nacional, S.A. de C.V. (''TUNA''), this review has now been terminated as a result of the withdrawal request for administrative review by TUNA, the interested party that requested review of TUNA. We preliminarily determine the dumping margin for Hylsa S.A. de C.V. (''Hylsa'') to be 7.90 percent during the POR. Interested parties are invited to comment on these preliminary results. Parties who submit arguments in this proceeding should also submit with their arguments (1) A statement of the issues, and (2) a brief summary of the arguments.

EFFECTIVE DATE: December 8, 1997.

FOR FURTHER INFORMATION CONTACT: Ilissa Kabak or Linda Ludwig, Enforcement Group III—Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Room 7866, Washington, D.C. 20230; telephone (202) 482–0182 (Kabak), or (202) 482–3833 (Ludwig).

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all references to the Department's regulations are to 19 C.F.R. Part 353 (April 1, 1997). Where appropriate, we have cited the Department's new regulations, codified at 19 C.F.R. Part 351 (62 Fed. Reg. 27296, May 19, 1997). While not binding on this review, the new regulations serve as a restatement of the Department's policies.

Background

The Department published an antidumping duty order on circular welded non-alloy steel pipe and tube from Mexico on November 2, 1992 (57 FR 49453). The Department published a notice of ''Opportunity to Request an Administrative Review'' of the antidumping duty order for the 1995/96 review period on November 4, 1996 (61 FR 56663). On November 27, 1996, respondents Hylsa and TUNA requested that the Department conduct an administrative review of the antidumping duty order on circular welded non-alloy steel pipe and tube from Mexico. We initiated this review on December 16, 1996. *See* 61 FR 66017 (December 16, 1996). On February 4, 1997, TUNA requested a withdrawal from the proceeding.

Pursuant to 19 CFR 353.22(a)(5) of the Department's regulations, the Department may allow a party that requests an administrative review to withdraw such request not later than 90 days after the date of publication of the notice of initiation of the administrative review. TUNA's request for withdrawal was timely and there were no requests for review from other interested parties. Therefore, the Department is terminating this review with respect to TUNA. This notice is in accordance with section 353.22(a)(5) of the Department's regulations (19 CFR 353.22(a)(5)).

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 June 16, 1997, the Department published a notice of extension of the time limit for the preliminary results in this case to December 2, 1997. *See Extension of Time Limit for Antidumping Duty Administrative Reviews,* 62 FR 36488 (July 8, 1997).

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

Scope of the Review

The products covered by these orders are circular welded non-alloy steel pipes and tubes, of circular cross-section, not more than 406.4 millimeters (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, beveled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipes and tubes and are intended for the low pressure conveyance of water, steam, natural gas, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses, and generally meet ASTM A–53 specifications. Standard pipe may also be used for light load-bearing applications, such as for fence tubing, and as structural pipe tubing used for framing and support members for reconstruction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and related industries. Unfinished conduit pipe is also included in these orders.

All carbon steel pipes and tubes within the physical description outlined above are included within the scope of these orders, except line pipe, oil country tubular goods, boiler tubing,

mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished conduit. Standard pipe that is dual or triple certified/stenciled that enters the U.S. as line pipe of a kind used for oil or gas pipelines is also not included in these orders.

Imports of the products covered by these orders are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90.

Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of these proceedings is dispositive.

The POR is November 1, 1995 through October 31, 1996. This review covers sales of circular welded non-alloy steel pipe and tube by Hylsa.

Verification

As provided in section 782(i) of the Act, we verified information provided by the respondent by using standard verification procedures, including on-site inspection of the manufacturing facilities of Hylsa, the examination of relevant sales and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the verification reports, the public versions of which are available at the Department of Commerce, in the Central Records Unit (CRU), Room B099.

Product Comparisons

In accordance with section 771(16) of the Act, we considered each circular welded non-alloy steel pipe and tube product produced by the respondents, covered by the descriptions in the ''Scope of the Review'' section of this notice, *supra*, and sold in the home market during the POR, to be a foreign like product for purposes of determining appropriate product comparisons to U.S. sales of circular welded non-alloy steel pipe and tube. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed in Appendix VI of the Department's December 23, 1996, antidumping questionnaire. In making the product comparisons, we matched each foreign like product based on the physical characteristics reported by the respondent and verified by the Department.

The Department's practice is to use a methodology which avoids distortions due to high inflation in instances where high inflation existed during the period of review. *See, e.g., Notice of Final Results of Antidumping Duty Administrative Review, Certain Welded Carbon Steel Pipe and Tube from Turkey* 62 Fed. Feg. 61629 (October 2, 1997). In this case, consistent with our prior practice, we determined that high inflation existed during the period of review. *See* Letter to Shearman & Sterling from the Department (May 7, 1997). In order to take into account the rate of inflation in Mexico during the POR, we compared each U.S. sale to sales of the foreign like product in the same month. Where there were no sales of identical merchandise in the home market to compare to U.S. sales within the same month, we compared U.S. sales to the next most similar foreign like product which was sold in the same month. *See Circular Welded Non-Alloy Steel Pipe and Tube from Mexico: Preliminary Results of Antidumping Duty Administrative Review* 61 FR 68708 (December 30, 1996). *See also Circular Welded Non-Alloy Steel Pipe and Tube from Mexico: Final Results of Antidumping Duty Administrative Review* 62 FR 32014 (July 10, 1997) (in which the Department continued to compare foreign like products and subject merchandise in this manner).

Fair-Value Comparisons

To determine whether sales of circular welded non-alloy steel pipe by Hylsa to the United States were made at less than fair value, we compared the EP to the NV, as described in the ''Export Price'' and ''Normal Value'' sections of this notice. In accordance with section 777A (d)(2) of the Act, we calculated monthly weighted-average prices for NV and compared these to individual U.S. transactions.

Date of Sale

Hylsa reported the date of the invoice as the date of sale for all home market and U.S. sales. For the home market co-export rebate sales with two reported invoice dates (original invoice issue date and revised invoice issue date), Hylsa reported the revised invoice date as the date of sale.

Export Price

We used EP as defined in section 772(a) of the Act. We calculated EP based on prices to unaffiliated customers in the United States. Where appropriate, we made deductions from the starting price for foreign inland freight, foreign brokerage and handling, U.S. brokerage and handling and U.S. customs duties.

Section 776 (a) (2) of the Act provides that ''if an interested party or any other person—(A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c) (1) and (e) of section 782; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782 (i), the administering authority * * * shall, subject to section 782 (d), use the facts otherwise available in reaching the applicable determination under this title.''

In addition, section 776 (b) of the Act provides that, if the Department finds that an interested party ''has failed to cooperate by not acting to the best of its ability to comply with a request for information,'' the Department may use information that is adverse to the interests of the party as the facts otherwise available. The statute also provides that such an adverse inference may be based on secondary information, including information drawn from the petition.

In this case, the Department has applied partial facts available for various expenses and adjustments. Based on our verification of Hylsa's sales responses, we rejected as unverifiable additional foreign inland freight, additional foreign brokerage fees and additional U.S. brokerage fees. Although information was provided to the Department, and the Department attempted to verify this information at the verification of Hylsa (see Sales Verification Report), the information could not be verified as provided in section 782(i) of the Act. By not providing verifiable information for foreign inland freight, foreign brokerage and U.S. brokerage expenses when such information was available to Hylsa, we have determined that Hylsa failed to cooperate by not acting to the best of its ability to comply with a request for information. Consequently, the use of adverse partial facts available under section 776(b) of the Act is warranted. We deducted the reported foreign inland freight, which was paid by the customer and included in the reported gross unit price. Rather than use reported additional foreign inland freight, as facts available we further deducted the highest calculated differential between reported and actual foreign inland freight charges incurred for five sales reviewed at verification, (*see* Analysis Memo). We deducted the reported foreign and U.S. brokerage charges, which were paid by the

customer and included in the reported gross unit price. Rather than use reported additional foreign and U.S. brokerage charges, as facts available we further deducted the highest calculated differential between reported and actual foreign and U.S. brokerage charges incurred for five sales reviewed at verification (*see* Analysis Memo).

Hylsa acts as importer of record on its U.S. sales and thereby pays all antidumping duty deposits. During the course of this proceeding, petitioners requested that the Department examine the issue of reimbursement where the producer/exporter is the importer of record. Section 353.26 of the Department's regulations states that ''[i]n calculating the United States price, the Secretary will deduct the amount of any antidumping duty which the producer or reseller: (i) [p]aid directly on behalf of the importer; or (ii) [r]eimbursed to the importer.'' 19 CFR 353.26(a)(1). It has been our practice that separate corporate entities must exist as producer/reseller and importer in order to invoke the regulation. In the present case, the U.S. importer of record, Hylsa, is also the same corporate entity that produces and exports the subject merchandise. In such a case, there is no separate company or separate U.S. subsidiary, wholly owned or otherwise, that acts as the importer of record. Rather, the importer and exporter are one and the same corporate entity. In this case, there can be no payment made to, or on behalf of, the importer within the meaning of the regulation. In accordance with our practice, the Department interprets its reimbursement regulation as inapplicable in this case. However, we will consider this issue further for the final results, and we invite comments on this issue.

Normal Value

Based on a comparison of the aggregate quantity of home-market and U.S. sales, we determined that the quantity of the foreign like product sold in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States, pursuant to section 773(a) of the Act. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in the home market, in the usual commercial quantities and in the ordinary course of trade, including sales that benefitted from co-export rebates and short-length discounts.

Sales to affiliated customers in the home market which were determined not to be at arm's-length were excluded from our analysis. To test whether these sales were made at arm's-length, we compared the starting prices of sales of comparison products to affiliated and unaffiliated customers, net of all movement charges, direct selling expenses, discounts, and packing. Pursuant to 19 CFR 353.45(a) and in accordance with our practice, where the prices to the affiliated party were on average less than 99.5 percent of the prices to unaffiliated parties, we determined that the sales made to the affiliated party were not at arm's-length. *See Notice of Final Results and Partial Recission of Antidumping Duty Administrative Review: Roller Chain, Other Than Bicycle, From Japan* 62 FR 60472 (November 10, 1997). We included those sales that passed the arm's length test in our analysis (see 19 CFR 353.45(a)).

Where appropriate, in accordance with 773(a)(6)(A) of the Act, we deducted credit expenses, warranties, advertising, insurance, packing, and certain discounts, and we added interest revenue. The Department discovered certain discrepancies and inconsistencies with Hylsa's freight data which rendered the data unverifiable or unreliable within the meaning of section 782(e) of the Act. At verification, the Department examined additional inland freight reported by Hylsa. Despite the Department's efforts, the data provided by Hylsa could not be verified. In accordance with section 782(e) of the Act, we rejected as unverifiable additional inland freight (see Sales Verification Report). Therefore, we denied adjustment for reported additional inland freight. Furthermore, due to discrepancies found as a result of verification and in accordance with section 782(e) of the Act, we disallowed deduction of inland freight expenses reported for co-export rebate sales made during 1996. The Department also found inconsistencies concerning the allocation of both early payment discounts and interest revenue for late payments (*see* Sales Verification Report). Therefore, consistent with section 782 (e) of the Act, we denied deductions from the reported price for early payment discounts allocated to sales to which interest revenue was also allocated.

We increased NV by U.S. packing costs in accordance with section 773(a)(6)(A) of the Act and decreased NV by home market packing costs in accordance with section 773(a)(6)(B) of the Act. We made adjustments to NV for differences in cost attributable to differences in physical characteristics of the merchandise, pursuant to section 773(a)(6)(C)(ii) of the Act.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (''LOT'') as the EP or CEP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value (''CV''), that of the sales from which we derive selling, general and administrative (''SG&A'') expenses and profit. For EP, the U.S. LOT is also the level of the starting-price sale, which is usually from exporter to importer. For CEP, it is the level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different LOT than EP or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and 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. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the difference in the levels between NV and CEP affects price comparability, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa,* 62 FR 61731 (November 19, 1997).

In its questionnaire responses, Hylsa stated that there were no differences in its selling activities by customer categories within each market. In order to confirm independently the absence of separate levels of trade within or between the U.S. and home markets, we examined Hylsa's questionnaire responses for indications that Hylsa's functions as a seller differed qualitatively or quantitatively among customer categories. Where possible, we further examined whether each selling function was performed on a substantial portion of sales.

Hylsa sold to end-users in the U.S. market. In the home market, Hylsa sold to local distributors and end-users. Hylsa performed essentially the same selling functions for sales to all its home-market customers, as well as to U.S. customers. Thus, our analysis of the questionnaire response leads us to

conclude that sales within or between each market are not made at different levels of trade. Accordingly, we preliminarily find that all sales in the home market and the U.S. market were made at the same level of trade. Therefore, we have not made a level of trade adjustment because all price comparisons are at the same level of trade and an adjustment pursuant to section 773(a)(7)(A) is not appropriate.

Cost-of-Production Analysis

Petitioners alleged, on April 4, 1997, that Hylsa sold circular welded non-alloy steel pipes and tubes in the home market at prices below COP. Based on these allegations, in accordance with 773(b) of the Act, the Department determined, on May 6, 1997, that it had reasonable grounds to believe or suspect that Hylsa had sold the subject merchandise in the home market at prices below the COP. *See Letter* to Shearman and Sterling (May 7, 1997) and *Decision Memorandum* (May 6, 1997). We therefore initiated a cost investigation with regard to Hylsa in order to determine whether the respondent made home-market sales during the POR at prices below their COP within the meaning of section 773(b) of the Act. Before making any fair-value comparisons, we conducted the COP analysis described below.

A. Calculation of COP

We calculated the COP based on the sum of Hylsa's cost of materials and fabrication for the foreign like product, plus amounts for home-market selling, general, and administrative expenses (''SG&A''), and packing costs in accordance with section 773(b)(3) of the Act. Based on our verification of the cost response submitted by Hylsa, we adjusted the reported COP to reflect certain adjustments to the cost of manufacturing and general and administrative expenses (*see* Analysis Memo).

B. Test of Home-Market Prices

We used the respondent's weighted-average COP, as adjusted (see above), for the period August 1, 1995, through November 30, 1996. We compared the weighted-average COP figures to home-market sales of the foreign like product as required under section 773(b) of the Act. In determining whether to disregard home-market sales made at prices below the COP, we examined whether (1) within an extended period of time, such sales were made in substantial quantities, and (2) such sales were made at prices which permitted the recovery of all costs within a reasonable period of time. On a product-specific basis, we compared the COP to the home-market prices (not including VAT), less any applicable movement charges, discounts, and rebates.

C. Results of COP Test

In accordance with section 773(b)(2)(C), where less than 20 percent of Hylsa's sales of a given product were at prices less than the COP, we do not disregard any below-cost sales of that product because we determine that the below-cost sales were not made in ''substantial quantities.'' Where 20 percent or more of a Hylsa's sales during the POR were at prices less than the COP, we determine such sales to have been made in ''substantial quantities'' within an extended period of time in accordance with section 773(b)(2)(B) of the Act, and not 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. Therefore, we disregarded such below-cost sales of Hylsa. Where all contemporaneous sales of a comparison product were disregarded, we calculated NV based on CV.

D. Calculation of CV

In accordance with section 773(e) of the Act, we calculated CV based on the sum of Hylsa's cost of materials, fabrication, SG&A, U.S. packing costs, interest expenses as reported in the U.S. sales database and profit. As noted above, we recalculated Hylsa's COM and general and administrative expenses based on our verification results. In accordance with section 773(e)(2)(A) of the Act, we based SG&A and profit on the amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. For selling expenses, we used the weighted-average home market selling expenses. Where we compared CV to EP, we added the lesser of home market commissions or U.S. indirect selling expenses to CV.

Currency Conversion

For purposes of the preliminary results, 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 of New York. 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, unless the daily rate involves a ''fluctuation.'' In accordance with the Department's practice, we have determined as a general matter that a fluctuation exists when the daily exchange rate differs from a benchmark by 2.25 percent. *See Cut-to-Length Steel Plate from Belgium: Preliminary Results of Antidumping Duty Administrative Review,* 62 FR 48213 (citing *Certain Stainless Steel Wire Rods from France: Preliminary Results of Antidumping Duty Administrative Review,* 61 FR 8915 (March 6, 1996)). The benchmark is defined as the rolling average of rates for the past 40 business days. When we determine a fluctuation exists, we substitute the benchmark for the daily rate.

Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following weighted-average dumping margin exists:

Circular welded non-alloy steel pipes and tubes

Producer/Manufacturer/Exporter	Hylsa
Weighted-Average Margin	7.90%

Parties to this proceeding may request disclosure within five days of publication of this notice. Any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 37 days after the date of publication of this notice. The Department will publish a notice of the final results of the administrative review, including its analysis of issues raised in any written comments or at a hearing, not later than 120 days after the date of publication of this notice.

The following deposit requirements will be effective upon publication of the final results of this antidumping duty review for all shipments of circular welded non-alloy steel pipe from Mexico, entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a) of the Tariff Act: (1) The cash deposit rate for the reviewed company will be that established in the final results of review; (2) for exporters not covered in this review, but covered in the LTFV investigation or previous review, the cash deposit rate will continue to be the company-specific rate from the LTFV investigation or the most recent previous review; (3) if the exporter is not a firm covered in this review, a previous review, or the

original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; (4) the cash deposit rate for all other manufacturers or exporters will continue to be 36.62 percent, the ''All Others'' rate in the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

We will calculate importer-specific duty assessment rates as a per ton unit value for EP sales. To calculate the per ton unit value for assessment, we summed the margins on U.S. sales with positive margins, and then divided this sum by the total entered tonnage of all U.S. sales.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 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 administrative review and notice are published in accordance with section 751(a)(1) of the Act and 19 CFR 353.22.

Dated: December 2, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 97–32064 Filed 12–5–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–412–811]

Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom; Preliminary Results of Countervailing Duty Administrative Review

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

ACTION: Notice of preliminary results of countervailing duty administrative review.

SUMMARY: The Department of Commerce is conducting an administrative review of the countervailing duty order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom. The period covered by this administrative review is January 1, 1996 through December 31, 1996. For information on the net subsidy for each reviewed company, as well for all non-reviewed companies, please see the ''Preliminary Results of Review'' section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to assess countervailing duties as indicated in the ''Preliminary Results of Review'' section of this notice. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: December 8, 1997.

FOR FURTHER INFORMATION CONTACT: Christopher Cassel, Suzanne King, or Dana Mermelstein, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On March 22, 1993, the Department of Commerce (the Department) published in the **Federal Register** (58 FR 15327) the countervailing duty order on certain hot-rolled lead and bismuth carbon steel products from the United Kingdom. On March 7, 1997, the Department published a notice of ''Opportunity to Request an Administrative Review'' (62 FR 10521) of this countervailing duty order. We received a timely request for review from Inland Steel Bar Co., an interested party to this proceeding. We initiated the review, covering the period January 1, 1996, through December 31, 1996, on April 24, 1997 (62 FR 19988).

In accordance with 19 CFR 355.22(a), this review covers only those producers or exporters for which a review was specifically requested. Accordingly, this review covers British Steel Engineering Steels Holdings, British Steel Engineering Steels Limited, and British Steel plc.

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA) effective January 1, 1995 (the Act). The Department is conducting this administrative review in accordance with section 751(a) of the Act.

Scope of the Review

Imports covered by this review are hot-rolled bars and rods of non-alloy 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, tellarium, 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, 60.00; 7213.39.00.30, 00.60, 00.90; 7214.40.00.10, 00.30, 00.50; 7214.50.00.10, 00.30, 00.50; 7214.60.00.10, 00.30, 00.50; and 7228.30.80. Although the HTSUS subheadings are provided for convenience and for Customs purposes, our written description of the scope of this proceeding is dispositive.

Change in Ownership

(I) Background

On March 21, 1995, British Steel plc (BS plc) acquired all of Guest, Keen & Nettlefolds' (GKN) shares in United Engineering Steels (UES), the company which produced and exported the subject merchandise to the United States during the original investigation. Thus, UES became a wholly-owned subsidiary of BS plc and was renamed British Steel Engineering Steels (BSES).

Prior to this change in ownership, UES was a joint venture company formed in 1986 by British Steel Corporation (BSC), a government-owned company, and GKN. In return for shares in UES, BSC contributed a major portion of its Special Steels Business, the productive unit which produced the subject merchandise. GKN contributed its Brymbo Steel Works and its forging business to the joint venture. BSC was privatized in 1988 and now bears the name BS plc.

In the investigation of this case, the Department found that BSC had received a number of nonrecurring subsidies prior to the 1986 transfer of its Special Steels Business to UES. *See Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom*, 58 FR 6237, 6243 (January 27, 1993) (*Lead Bar*).