D.C. 20230; telephone (202) 482–3464 or (202) 482–1276, respectively.

SUPPLEMENTARY INFORMATION: The Department of Commerce (Department) initiated this administrative review on November 26, 1997 (62 FR 63069). Because it is not practicable to complete this review within the original time limit set forth in section 751(a)(3)(A) of the Tariff Act of 1930, as amended (*i.e.*, July 3, 1998 (extended to July 6, 1998 because of Holiday)), pursuant to that same section, the Department is extending the time limit for completion of the preliminary results until October 31, 1998. *See* the July 6, 1998 Memorandum from Susan Kuhbach, Office Director, AD/CVD Enforcement to Richard W. Moreland, Acting Assistant Secretary for Import Administration, which is on file in the Central Records Unit, Room B–099 of the Department's headquarters.

Dated: July 6, 1998.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–18444 Filed 7–9–98; 8:45 am]

BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–805]

Industrial Nitrocellulose From the Republic of Korea; Preliminary Results of Antidumping Duty Administrative Review

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

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

SUMMARY: In response to a request by the respondent, Daesang Corporation (Daesang)[1] the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on industrial nitrocellulose from the Republic of Korea (Korea). The review covers one manufacturer/exporter of the subject merchandise to the United States during the period July 1, 1996 through June 30, 1997. The review indicates the existence of dumping margins during the review period.

We have preliminarily determined that sales have been made below normal value (NV). If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Customs Service to assess antidumping duties based on the difference between United States price (U.S. price) and NV.

Interested parties are invited to comment on these preliminary results. Parties who submit argument are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: July 10, 1998.

FOR FURTHER INFORMATION CONTACT: Elfi Blum or Maureen Flannery, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–0197 or 482-3020, respectively.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to 19 CFR Part 351 (62FR 27296, May 19, 1997).

SUPPLEMENTARY INFORMATION:

Background

On July 10, 1990, the Department published in the **Federal Register** (55 FR 28267) the antidumping order on industrial nitrocellulose (INC) from Korea. On July 2, 1997, the Department published in the **Federal Register** (62 FR 38973) a notice of opportunity to request an administrative review of this antidumping duty order. On July 31, 1997, in accordance with 19 CFR 351.213, one exporter of the subject merchandise to the United States, Daesang, requested that the Department conduct an administrative review of its exports of subject merchandise to the United States. We published a notice of initiation of this administrative review on September 25, 1997 (62 FR 50292), covering the period July 1, 1996 through June 30, 1997.

Scope of Review

Imports covered by this review are shipments of INC from Korea. INC is a dry, white amorphous synthetic chemical with a nitrogen content between 10.8 and 12.2 percent, and is produced from the reaction of cellulose with nitric acid. INC is used as a film-former in coatings, lacquers, furniture finishes, and printing inks. The scope of this order does not include explosive grade nitrocellulose, which has a nitrogen content of greater than 12.2 percent.

INC is currently classified under Harmonized Tariff System (HTS) subheading 3912.20.00. While the HTS item number is provided for convenience and Customs purposes, the written description remains dispositive as to the scope of the product coverage. The review period is July 1, 1996 through June 30, 1997.

Verification

As provided in section 782(i) of the Act, we conducted a U.S. verification of the questionnaire responses submitted by Daesang Corporation, concerning its U.S. affiliate, Daesang America. We used standard verification procedures, including the examination of relevant accounting, sales, and other financial records, and the selection of original documentation containing relevant information. Our verification results are outlined in the public version of the verification report.

United States Price

In calculating the United States Price (USP), we used export price (EP), in accordance with section 772 (a) and (c) of the Act, because Daesang's sales to the first unaffiliated purchaser occurred before importation into the United States, and because constructed export price (CEP) methodology was not otherwise indicated. We based EP on the packed prices to the first unaffiliated purchaser in the United States. We made deductions from the starting price, where appropriate, for foreign inland freight, foreign brokerage and handling, ocean freight, marine insurance, U.S. customs brokerage and U.S. duties. We also added an amount for duty drawback. No other adjustments were claimed or allowed.

Normal Value

In calculating NV, we used home market prices to unaffiliated purchasers, as defined in section 773 of the Act. In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared Daesang's volume of home market sales of the subject merchandise to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Because Daesang's volume of home market sales of the subject merchandise was greater than five percent of its volume of U.S. sales of the subject merchandise, we determined that the home market provides a viable basis for calculating NV for Daesang.

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[1] In its questionnaire response dated October 31, 1997, Daesang was referred to as Miwon Co., Ltd. Daesang advised the Department by letter dated December 5, 1997 that its name had been changed.

We based NV on the gross unit price, and made deductions, where appropriate, for inland freight from the plant to the warehouse, inland freight from the plant or warehouse to the customer, presale warehousing expenses, handling charges, and commissions. We made a circumstance-of-sale adjustment, where appropriate, by deducting home market direct selling expenses and adding U.S. direct selling expenses. We also made adjustments, where applicable, for U.S. indirect selling expenses to offset home market commissions.

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 transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value, that of the sales from which we derive selling, general and administrative 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 a 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 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, 61732 (November 19, 1997).

Daesang did not claim a LOT adjustment; however, we requested information concerning Daesang's distribution system, including classes of customers, selling functions, and selling expenses, to determine whether such an adjustment was necessary. Daesang reported that all sales to the United States during the Period of Review (POR) were to distributors, and sales in the comparison market, the home market in this case, were to end-users or distributors. Daesang claimed that there were no differences in selling functions or selling expenses between sales in the home market and sales in the United States, nor did we find any such difference. Therefore, we preliminarily determine that sales in the home market and sales in the United States are at the same LOT, and that no adjustment is warranted.

Preliminary Results of the Review

As a result of our review, we preliminarily determine that the following margin exists for the period July 1, 1996 through June 30, 1997:

Manufacturer/Exporter	Margin (percent)
Daesang Corporation	8.72

Parties to the proceeding may request disclosure within 5 days of the date of publication of this notice in accordance with 19 CFR 351.224. Any interested party may request a hearing within 30 days of publication in accordance with 19 CFR 351.310. Any hearing, if requested, 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 in accordance with 19 CFR 351.309. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed within five days after the time limit for filing case briefs. *See* 19 CFR 351.309. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. The Department will publish a notice of final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, not later than 120 days after the date of publication of this notice.

Upon issuance of the final results of review, the Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. We have calculated importer-specific ad valorem duty assessment rates based on the ratio of the total amount of dumping margins calculated for the examined sales made during the POR to the total customs value of the sales used to calculate those duties. These rates will be assessed uniformly on all entries of each particular importer made during the POR. (This is equivalent to dividing the total amount of antidumping duties, which are calculated by taking the difference between statutory NV and statutory EP, by the total statutory EP value of the sales compared, and adjusting the result by the average difference between EP and customs value for all merchandise during the POR.)

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the determination and for future deposits of estimated duties. Upon completion of this review, the Department will issue appraisement instructions directly to the U.S. Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of INC from Korea entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for Daesang will be the rate established in the final results of this review; (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 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) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be the rate established in the investigation of sales at less than fair value, which is 66.3 percent. See 55 FR 28267 (May 22, 1990).

These deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under section 19 CFR 351.402(f) of the Department's regulations 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 section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 351.213, 351.221.

Dated: June 30, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–18443 Filed 7–9–98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–810]

Mechanical Transfer Presses From Japan; Final Results of Antidumping Duty Administrative Review and Revocation of Antidumping Duty Administrative Order in Part

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

ACTION: Notice of final results of antidumping duty administrative review and revocation of antidumping duty administrative order in part.

SUMMARY: On March 6, 1998, the Department of Commerce (the Department) published in the **Federal Register** the preliminary results of its antidumping duty administrative review of the antidumping duty order on mechanical transfer presses (MTPs) from Japan and intent to revoke in part with respect to respondent Aida Engineering, Ltd. (Aida) (63 FR 11211). This review covers two manufacturers/exporters of the subject merchandise to the United States and the period of February 1, 1996 through January 31, 1997. We gave interested parties an opportunity to comment on the preliminary results of review. We received comments from Aida. We received rebuttal comments from Verson Division of Allied Products Corp., the United Autoworkers of America, and the United Steelworkers of America (AFL–CIO/CLC) (petitioners). We have not changed the results from those presented in the preliminary results of review. We have also determined to revoke the order in part, with respect to Aida.

EFFECTIVE DATE: July 10, 1998.

FOR FURTHER INFORMATION CONTACT: Lesley Stagliano or Maureen Flannery, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482–3782, (202) 482–3020.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provision effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the provisions codified at 19 CFR part 353 (1997).

Background

On March 6, 1998, the Department of Commerce (the Department) published in the **Federal Register** the preliminary results of the review of the antidumping duty order and intent to revoke order in part on MTPs from Japan (63 FR 11211). The Department has now completed this antidumping duty administrative review in accordance with section 751(b) of the Tariff Act of 1930, as amended (the Act).

Scope of Review

Imports covered by this review include MTPs currently classifiable under Harmonized Tariff Schedule (HTS) item numbers 8462.99.0035 and 8466.94.5040. The HTS numbers are provided for convenience and for U.S. Customs purposes. The written description remains dispositive of the scope of the order.

The term mechanical transfer presses refers to automatic metal-forming machine tools with multiple die stations in which the work piece is moved from station to station by a transfer mechanism designed as an integral part of the press and synchronized with the press action, whether imported as machines or parts suitable for use solely or principally with these machines. These presses may be imported assembled or unassembled. This review does not cover certain parts and accessories, which were determined to be outside the scope of the order (See ''Final Scope Ruling on Spare and Replacement Parts,'' U.S. Department of Commerce, March 20, 1992; and ''Final Scope Ruling on the Antidumping Duty Order on Mechanical Transfer Presses (MTPs) from Japan: Request by Komatsu, Ltd.,'' U.S. Department of Commerce, October 1, 1996).

This review covers two manufacturers of MTPs, and the period February 1, 1996 through January 31, 1997.

Analysis of the Comments Received

We gave interested parties an opportunity to comment on the preliminary results of review. We received comments from Aida and rebuttal comments from petitioners.

Comment 1: Aida contends that the Department erred in excluding below-cost sales in calculating the profit rate for constructed value. Aida states that its below-cost sales were not outside the ordinary course of trade according to the general definition of ''ordinary course of trade'' as it is defined in Section 771(15) of the Act; therefore, they should not have been excluded by the Department in its calculation of constructed value. Section 771(15) states:

> The term ''ordinary course of trade'' means the conditions and practices which, for a reasonable time prior to the exportation of the merchandise which is the subject of the investigation, have been normal in the trade under consideration with respect to merchandise of the same class or kind. The administering authority shall consider the following sales and transactions, among others, to be outside the ordinary course of trade:
>
> (A) Sales disregarded under section 773(b)(1)
>
> (B) Transactions disregarded under section 773(f)(2)

Aida states that the Department and the courts have consistently held that below-cost sales are not *per se* outside the ''ordinary course of trade.'' *See, e.g., Federal-Mogul Corp.* v. *United States,* 918 F. Supp. 386, 402–403 (Ct. Int'l Trade, 1996); *Timken Co.* v. *United States,* 930 F. Supp. 621, 624–625 (Ct. Int'l Trade, 1996); and *Torrington Co.* v. *United States,* 984 F. Supp. 67, 75 (Ct, Int'l Trade, 1996). Although these cases were decided under the definition of ''ordinary course of trade'' as it existed prior to the Uruguay Round Agreements Act (URAA), Aida maintains that these cases continue to be valid because this definition was carried forward with URAA law. Aida asserts that the second sentence of section 771(15) only applies to below-cost sales that have been disregarded for purposes of normal value comparisons under section 773(b) of the Act.

Aida argues that there were no home market sales ''under consideration for the determination of normal value,'' and no sales were disregarded under section 773(b)(1). Aida contends that the Department based its decision to use constructed value on section 773(a)(1)(C) when it stated that ''the particular market situation in this case, which requires that the subject merchandise be built to each customer's specifications, does not permit proper price-to-price comparisons in either the home market or third countries.'' 63 FR 11213. Aida concludes that, since no home market sales were considered or disregarded for price comparison under section 773(b)(1), the second sentence of section 771(15) was inapplicable, and that Aida's below-cost sales were not outside the ordinary course of trade.

Aida argues that the Department's discussion of the below-cost sales issue is based on an incorrect interpretation of