## DEPARTMENT OF COMMERCE

### International Trade Administration

**[A–427–816]**

### Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-To-Length Carbon-Quality Steel Plate Products from France

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

**EFFECTIVE DATE:** July 29, 1999.

**FOR FURTHER INFORMATION CONTACT:** Jim Terpstra or Frank Thomson, Group II, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–3965 or (202) 482–4793, respectively.

### The Applicable Statute

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 references are made to the Department's regulations at 19 CFR Part 351 (1998).

### Preliminary Determination

We preliminarily determine that certain cut-to-length carbon-quality steel plate products (''CTL plate'') from France are being, or are likely to be, sold in the United States at less than fair value (''LTFV''), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the ''Suspension of Liquidation'' section of this notice.

*Case History*

Since the initiation of this investigation (*Notice of Initiation of Antidumping Investigations: Certain Cut-To-Length Carbon-Quality Steel Plate from Czech Republic, France, India, Indonesia, Italy, Japan, Republic of Korea, and Former Yugoslav Republic of Macedonia* (64 FR 12959, March 16, 1999)) (''*Initiation Notice*''), the following events have occurred:

In their petition, the petitioners [1] identified Usinor S.A. (''Usinor'') and its affiliates, Creusot Loire Industrie (''CLI''), and GTS Industries S.A. (''GTS'') as possible exporters of CTL plate from France. We requested on March 12, 1999, data on all producers and exporters of the subject merchandise during the period of investigation (''POI'') from the American Embassy in Paris. Based on information on the record we issued antidumping questionnaires to Usinor, CLI and GTS on March 17, 1999. [2]

In April 1999, the United States International Trade Commission (''ITC'') issued an affirmative preliminary injury determination in this case (*see* ITC Investigation No. 731–TA–815–822).

On May 10, 1999, Usinor submitted a consolidated response to sections A, B, and C of the questionnaire on behalf of GTS and Sollac S.A. (''Sollac'') (collectively referred to as ''Usinor''). Usinor identified Sollac in its questionnaire responses as an affiliated producer of subject merchandise during the POI. Usinor submitted a response to section D of the questionnaire on May 14, 1999, and a response to section E on May 21, 1999.

On April 12, 1999, Usinor requested that it be allowed not to report information for the following entities that are affiliated with Usinor: 1) Eurodecoupe, a maker of precision-cut specialty shapes that sold subject merchandise in the home market; 2) CLI, a maker of specialty steel intended for nuclear and high pressure applications; and 3) certain affiliated downstream service centers/reprocessors. Based on the reasons and factual representations outlined in Usinor's request, on May 14, 1999, we granted this request and allowed Usinor to exclude these sales from its response. However, we indicated that we would review this matter at verification.

We issued a supplemental questionnaire for Sections A, B, and C to Usinor in May 1999 and received a response to this questionnaire along with revised home market and U.S. sales listings in June 1999. We issued a supplemental questionnaire for Sections D and E to Usinor in June 1999 and received a response to this questionnaire in June 1999. We received revised home market and U.S. sales listings, along with revised cost of production, constructed value, and further manufacturing cost tapes in July 1999.

In May and June 1999, Usinor submitted additional clarifications to its responses. Also, on July 9, 1999, petitioners submitted comments for the Department's consideration in the preliminary determination.

*Scope of Investigation*

The products covered by the scope of this investigation are certain hot-rolled carbon-quality steel: (1) Universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief), of iron or non-alloy-quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils). Steel products to be included in this scope are of rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been ''worked after rolling'')—for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non-metallic substances are included within this scope. Also, specifically included in this scope are high strength, low alloy (HSLA) steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States (HTSUS) definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15

[1] The petitioners are Bethlehem Steel Corporation, Gulf States Steel, Inc., IPSCO Steel Inc., the United Steelworkers of America, and the U.S. Steel Group (a unit of USX Corporation).

[2] Section A of the questionnaire requested general information concerning the company's corporate structure and business practices, the merchandise under investigation that it sells, and the sales of that merchandise in all markets. Sections B and C of the questionnaire requested home market sales listings and U.S. sales listings. Section D of the questionnaire requested information regarding the cost of production of the foreign like product and the constructed value of the merchandise under investigation. Section E of the questionnaire requested information regarding the cost of further manufacture or assembly performed in the United States.

percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of these investigations unless otherwise specifically excluded. The following products are specifically excluded from these investigations: (1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.

The merchandise subject to these investigations is classified in the HTSUS under subheadings: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000.

Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

*Scope Comments*

As stated in our notice of initiation, we set aside a period for parties to raise issues regarding product coverage. In particular, we sought comments on the specific levels of alloying elements set out in the description above, the clarity of grades and specifications excluded from the scope, and the physical and chemical description of the product coverage.

On March 29, 1999, Usinor, a respondent in the French antidumping and countervailing duty investigations and Dongkuk Steel Mill Co., Ltd. and Pohang Iron and Steel Co., Ltd., respondents in the Korean antidumping and countervailing duty investigations (collectively the Korean respondents), filed comments regarding the scope of the investigations on CTL plate and the Department's model matching criteria. On April 14, 1999, the petitioners filed comments regarding Usinor's and the Korean respondents' comments regarding model matching. In addition, on May 17, 1999, ILVA S.p.A. (ILVA), a respondent in the Italian antidumping and countervailing duty investigations, requested guidance on whether certain products are within the scope of these investigations.

Usinor requested that the Department modify the scope to exclude: (1) Plate that is cut to non-rectangular shapes or that has a total final weight of less than 200 kilograms; and (2) steel that is 4″ or thicker and which is certified for use in high-pressure, nuclear or other technical applications; and (3) floor plate (*i.e.*, plate with ''patterns in relief'') made from hot-rolled coil. Further, Usinor requested that the Department provide clarification of scope coverage with respect to what it argues are over-inclusive HTSUS subheadings included in the scope language.

The Department has not modified the scope of these investigations because the current language reflects the product coverage requested by the petitioners, and Usinor's products meet the product description. With respect to Usinor's clarification request, we do not agree that the scope language requires further elucidation with respect to product coverage under the HTSUS. As indicated in the scope section of every Department antidumping and countervailing duty proceeding, the HTSUS subheadings are provided for convenience and Customs purposes only; the written description of the merchandise under investigation or review is dispositive.

The Korean respondents requested confirmation whether the maximum alloy percentages listed in the scope language are definitive with respect to covered HSLA steels.

At this time, no party has presented any evidence to suggest that these maximum alloy percentages are inappropriate. Therefore, we have not adjusted the scope language. As in all proceedings, questions as to whether or not a specific product is covered by the scope and, hence, must be reported, should be timely raised with Department officials.

ILVA requested guidance on whether certain merchandise produced from billets is within the scope of the current CTL plate investigations. According to ILVA, the billets are converted into wide flats and bar products (a type of long product). ILVA notes that one of the long products, when rolled, has a thickness range that falls within the scope of these investigations. However, according to ILVA, the greatest possible width of these long products would only slightly overlap the narrowest category of width covered by the scope of the investigations. Finally, ILVA states that these products have different production processes and properties than merchandise covered by the scope of the investigations and therefore are not covered by the scope of the investigations.

As ILVA itself acknowledges, the particular products in question appear to fall within the parameters of the scope and, therefore, we are preliminarily treating them as covered merchandise.

*Period of Investigation*

The POI is January 1, 1998 through December 31, 1998.

*Fair Value Comparisons*

To determine whether sales of CTL plate from France to the United States were made at less than fair value, we compared the constructed export price (''CEP'') to the Normal Value (''NV''), as described in the ''Constructed Export Price'' and ''Normal Value'' sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average CEPs for comparison to weighted-average NVs.

*Product Comparisons*

In accordance with section 771(16) of the Act, we considered all products produced by Usinor covered by the description in the ''Scope of Investigation'' section, above, and sold in France during the POI, 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, where appropriate. 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 sales of 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 of importance (which are identified in Appendix V of the questionnaire): Painting, quality, grade specification, heat treatment, nominal thickness, nominal width, patterns in relief, and descaling.

Because Usinor had no sales of non-prime merchandise in the United States during the POI, we did not use home market sales of non-prime merchandise in our product comparisons (*see, e.g., Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire*

*Rod from Sweden* (63 FR 40449, 40450, July 29, 1998) (''*SSWR*'')).

*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. With respect to U.S. price and CEP transactions, the LOT 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 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).

Usinor reported three customer categories (*i.e.*, steel service centers/resellers, pipe makers and original equipment manufacturers) and five channels of distribution in the home market (*i.e.*, sales made by Usinor's affiliated producer Sollac, through its affiliated sales network Sollac Vente France (SVF), directly to unaffiliated service centers or end users (Channel 1), sales from Sollac, through SVF, to its affiliated steel service center, SLPM, together with subsequent resales by SLPM to unaffiliated end users (Channel 2), sales made by Usinor's affiliated producer GTS Industries (GTS) directly to its affiliated customer Europipe (Channel 3), sales made by GTS, through SVF, directly to unaffiliated service centers or end users (Channel 4), and sales from GTS, through SVF, to its affiliated steel service center, SLPM, together with subsequent resales by SLPM to unaffiliated end users (Channel 5)).

We determined that Usinor sold merchandise at two LOTs in the home market during the POI. The first LOT involved sales through Channels 1, 3 and 4. The second LOT involved Usinor's sales through its affiliated steel service center, SLPM, in Channels 2 and 5. We found significant distinctions in selling activities and associated expenses between the sales through Channels 2 and 5 and those through Channels 1, 3 and 4. Based on these differences, we conclude that two LOTs existed in the home market. From our analysis of the marketing process for these sales, we also determined that sales through Channels 2 and 5 were made at a more remote marketing stage than that for sales through Channels 1, 3 and 4. Because the large number of channels of distribution and selling expenses involved in this analysis presents difficulty in providing an adequate summary in this notice, see the *LOT/CEP Memorandum* for a detailed explanation of the above, dated July 19, 1999, on file in Import Administration's Central Records Unit (''CRU''), Room B–099, U.S. Department of Commerce, 14th and Constitution Avenue, NW, Washington, DC.

Usinor reported three customer categories (*i.e.*, steel service centers/resellers, pipe makers and original equipment manufacturers) and three channels of distribution in the United States: 1) CEP sales made by Sollac, through its affiliated U.S. importer Francosteel, to unaffiliated service centers or end users (Channel 6), 2) CEP sales made by GTS, through its affiliated U.S. importer Francosteel, to unaffiliated service centers or end users (Channel 7), and 3) CEP sales from GTS directly to its affiliate Berg Steel, who further manufactured the subject merchandise into non-subject merchandise, pipe, and resold it to unaffiliated end users (Channel 8).

In order to determine whether separate LOTs actually existed between the U.S. and home market, we reviewed the selling activities associated with each channel of distribution. We determined that fewer and different selling functions were performed for Usinor's CEP sales than for sales at either of the home market LOTs and these differences constitute differences in LOT. Therefore, we examined whether a LOT adjustment was appropriate. The Department makes this adjustment when it is demonstrated that a difference in LOTs affects price comparability. *See* The Statement of Administrative Action accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Sess. (1994) (hereinafter, the ''SAA'') at 829–830. However, where the available data do not provide an appropriate basis upon which to determine a LOT adjustment, and where the NV is established at a LOT that is at a more advanced stage of distribution than the LOT of the CEP transactions, we adjust NV under section 773(a)(7)(B) of the Act (the CEP offset provision). Because the LOT of the U.S. sales is different than either home market LOTs, there is no reliable basis for quantifying a LOT adjustment in accordance with section 773(a)(7)(A) of the Act. Further, we found that the home market sales were at a more advanced stage of distribution compared to sales at either U.S. LOT. Therefore, a CEP offset was applied to NV for the NV–CEP comparisons. Because the large number of channels of distribution and selling expenses involved in this analysis presents difficulty in providing an adequate summary in this notice, see the *LOT/CEP Memorandum* for a detailed explanation of our analysis.

*Constructed Export Price*

Usinor reported as CEP transactions the resales of its subject merchandise by Francosteel to unaffiliated customers in the United States (channels 6 and 7). We calculated CEP, in accordance with subsection 772(b) of the Act, based on those sales to the first unaffiliated purchaser that took place after importation into the United States.

In addition, Usinor reported as CEP transactions sales of pipe products which were further manufactured from CTL plate (subject merchandise) by one of its affiliates in the United States (channel 8). For these sales we used the price to the first unaffiliated customer and deducted the costs of further manufacturing, in accordance with section 772(d)(2) of the Act. We used the information in Usinor's Section E response to calculate further manufacturing costs, except in the following instances where the data were not properly quantified or valued: (1) We increased the reported further manufacturing costs because we disallowed an adjustment made to coating costs, (2) we revised the reported further manufacturing G&A expense rate to reflect the change we made to coating costs, and (3) we revised the reported further manufacturing interest expense to reflect the interest expenses incurred by Berg Steel Pipe Corporation (''Berg''), Usinor's affiliate that further manufactures the plate in the United States. For further information *see*

*Memorandum to Neal Halper,* dated July 19, 1999.

We based CEP on the packed FOB or delivered prices to unaffiliated purchasers in the United States. We made adjustments to the starting price, where appropriate, for freight revenue, interest revenue, and billing adjustments. We made deductions for early payment discounts and rebates, where applicable. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight, foreign brokerage and handling, ocean freight, marine insurance, U.S. brokerage and handling, foreign trade zone fees, U.S. customs duties (including harbor maintenance fees and merchandise processing fees), and U.S. inland freight expenses (freight from warehouse to the customer). In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (credit costs, warranty expenses, and other direct selling expenses), inventory carrying costs, other indirect selling expenses, and commissions. We also deducted an amount for further-manufacturing costs, where applicable, in accordance with section 772(d)(2) of the Act and made an adjustment for profit in accordance with section 772(d)(3) of the Act.

*Normal Value*

After testing (1) home market viability, (2) whether sales to affiliates were at arm's-length prices, and (3) whether home market sales were at below-cost prices, we calculated NV as noted in the ''Price-to-Price Comparisons'' and ''Price-to-CV Comparisons'' sections of this notice.

1. Home Market Viability

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is equal to or greater than five percent of the aggregate volume of U.S. sales), we compared Usinor's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Because Usinor's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable for Usinor.

2. Affiliated-Party Transactions and Arm's-Length Test

We have applied the arm's-length test to affiliated-party transactions by comparing them to sales of identical merchandise from Usinor to unaffiliated home market customers. If these affiliated-party sales satisfied the arm's-length test, we used them in our analysis. Sales to affiliated customers in the home market not made at arm's-length prices (if any) were excluded from our analysis because we considered them to be outside the ordinary course of trade. *See* 19 CFR 351.102.

To test whether these sales were made at arm's-length prices, we compared on a model-specific basis the starting prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, discounts and rebates, and packing. Where, for the tested models of subject merchandise, prices to the affiliated party were on average 99.5 percent or more of the price to the unaffiliated parties, we determined that sales made to the affiliated party were at arm's length. *See* 19 CFR 351.403(c) and 62 FR at 27355. In instances where no price ratio could be constructed for an affiliated customer because identical merchandise was not sold to unaffiliated customers, we were unable to determine that these sales were made at arm's-length prices and, therefore, excluded them from our LTFV analysis. Where the exclusion of such sales eliminated all sales of the identical or most similar comparison product, we made a comparison to the next most similar model. *See*, (e.g., SSWR).

3. Cost of Production Analysis

In their petition, the petitioners submitted an allegation pursuant to section 773(b)(1) of the Act that Usinor had made sales in the home market at less than the cost of production (''COP''). Our analysis of the allegation indicated that there were reasonable grounds to believe or suspect that Usinor sold CTL plate in the home market at prices less than the COP. Accordingly, we initiated COP investigations with respect to Usinor to determine whether sales were made at prices less than the COP pursuant to section 773(b) of the Act (*see Initiation Notice*, 64 FR 12959, 12962).

We conducted the COP analysis described below.

*A. Calculation of COP*

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of Usinor's cost of materials and fabrication for the foreign like product, plus amounts for home market selling, general and administrative expenses (''SG&A''), interest expense, and packing costs.

We relied on the COP data Usinor submitted in its Section D questionnaire responses, without adjustment, to calculate weighted-average COPs for the POI.

*B. Test of Home Market Sales Prices*

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 order to determine whether these sales had been made at prices below COP. In determining whether to disregard home market sales made at prices less than 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, less any applicable movement charges, rebates, discounts, and direct and indirect selling expenses.

*C. Results of the COP Test*

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of respondent'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 determined that the below-cost sales were not made in ''substantial quantities.'' Alternatively, where 20 percent or more of a respondent's sales of a given product during the POI (normally equal to one year, but not less than six months) are at prices less than the COP, we determined that such sales have been made in ''substantial quantities'' in accordance with sections 773(b)(2)(B) and (C) of the Act. In such cases, because we compared prices to POI average costs, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Act. Therefore, in such instances, we disregarded the below-cost sales.

In this investigation, we found that, for certain products, more than 20 percent of Usinor's home market sales within an extended period of time were at prices less than COP. Further, the prices did not provide for the recovery of costs within a reasonable period of time. We therefore excluded these sales and used the remaining above-cost sales as the basis for determining NV where such sales existed, in accordance with section 773(b)(1) of the Act.

*D. Calculation of CV*

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of Usinor's cost of materials, fabrication, SG&A, interest, U.S. packing costs, and profit. We made similar adjustments as those described above for COP. 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.

*Price-to-Price Comparisons*

We calculated NV based on delivered prices to unaffiliated customers or prices to affiliated customers that we determined to be at arm's-length prices. We made adjustments to the starting price, where appropriate, for billing adjustments. We made deductions, where appropriate, from the starting price for early payment discounts, other discounts, rebates, and inland freight. We made circumstance of sale (COS) adjustments, in accordance with section 773(a)(6)(c)(iii) of the Act, for direct selling expenses, including warranty expenses, credit expenses, and other direct selling expenses. In addition, we made adjustments for differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. Finally, we deducted home market packing costs and added U.S. packing costs in accordance with sections 773(a)(6)(A) and (B) of the Act.

*Price-to-CV Comparisons*

For price-to-CV comparisons, we made adjustments to CV in accordance with section 773(a)(8) of the Act. Where we compared CV to CEP, we deducted from CV the weighted-average home market direct selling expenses and added U.S. selling expenses.

*Currency Conversion*

We made currency conversions into U.S. dollars based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

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. It is the Department's practice to find that a fluctuation exists when the daily exchange rate differs from the benchmark rate by 2.25 percent. The benchmark is defined as the moving average of rates for the past 40 business days. When we determine a fluctuation to have existed, we substitute the benchmark rate for the daily rate, in accordance with established practice. Further, section 773A(b) of the Act directs the Department to allow a 60-day adjustment period when a currency has undergone a sustained movement. A sustained movement has occurred when the weekly average of actual daily rates exceeds the weekly average of benchmark rates by more than five percent for eight consecutive weeks. (For an explanation of this method, *see Policy Bulletin 96–1: Currency Conversions* (61 FR 9434, March 8, 1996).) Such an adjustment period is required only when a foreign currency is appreciating against the U.S. dollar. The use of an adjustment period was not warranted in this case because the French franc did not undergo a sustained movement.

*Verification*

As provided in section 782(i) of the Act, we will verify all information determined to be acceptable for use in making our final determination.

*Suspension of Liquidation*

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**.

We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the CEP, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

| Exporter/manufacturer | Weighted-average margin percentage |
|---|---|
| Usinor | 29.88 |
| All Others | 29.88 |

*ITC Notification*

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

*Public Comment*

Case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than August 25, 1999, and rebuttal briefs no later than September 1, 1999. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on September 7, 1999, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the 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 the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by no later than 75 days after the date of this preliminary determination.

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

Dated: July 19, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 99–19300 Filed 7–28–99; 8:45 am]

BILLING CODE 3510–DS–P

## DEPARTMENT OF COMMERCE

## International Trade Administration

**[A–533–817]**

## Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-To-Length Carbon-Quality Steel Plate Products From India

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

**EFFECTIVE DATE:** July 29, 1999.