Manufacturer/exporter	Margin (percent)
Japan—large diameter:	
Nippon Steel Corporation	107.80
Kawasaki Steel Corporation	107.80
Sumitomo Metal Industries	107.80
All Others	68.88
Japan—small diameter:	
Nippon Steel Corporation	106.07
Kawasaki Steel Corporation	106.07
Sumitomo Metal Industries	106.07
All Others	70.43
South Africa—small diameter:	
Iscor Ltd	43.51
All Others	40.17

ITC Notification

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

Public Comment

For the investigations of large and small diameter seamless pipe from Japan and small diameter seamless pipe from South Africa, case briefs must be submitted no later than 30 days after the publication of this notice in the **Federal Register**. Rebuttal briefs must be filed within five business days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230. In the event that the Department receives requests for hearings from parties to several seamless pipe cases, the Department may schedule a single hearing to encompass all those cases. 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 within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

If these investigations proceed normally, we will make our final determinations no later than 75 days after the date of issuance of this notice.

These determinations are published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: December 7, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–32393 Filed 12–13–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–825]

Notice of Extension of Time Limit for Antidumping Duty Administrative Review of Oil Country Tubular Goods From Korea

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

EFFECTIVE DATE: December 14, 1999.

SUMMARY: The Department of Commerce (the Department) is extending the time limit for the final results of the antidumping duty administrative review of the antidumping order on oil country tubular goods from Korea, covering the period August 1, 1997 through July 31, 1998.

FOR FURTHER INFORMATION CONTACT: Jonathan Lyons, AD/CVD Enforcement Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482–0374.

SUPPLEMENTARY INFORMATION: Under section 751(a)(3)(A) of the Tariff Act, as amended (the Act), the Department may extend the deadline for completion of an administrative review if it determines that it is not practicable to complete the review within the statutory time limit of 120 days after the date on which the preliminary determination is published. In the instant case, the Department has determined that it is not practicable to complete the review within the statutory time limit. See Memorandum from Joseph A. Spetrini to Robert S. LaRussa. Therefore, in accordance with section 751(a)(3)(A) of the Act, the Department is extending the time limit for the final results until March 6, 2000. This extension fully extends the statutory deadline to 180 days after the date on which the preliminary determination was published.

Dated: December 6, 1999.

Joseph A. Spetrini,

Deputy Assistant Secretary Enforcement Group III.

[FR Doc. 99–32396 Filed 12–13–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–856]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Synthetic Indigo From the People's Republic of China

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

EFFECTIVE DATE: December 14, 1999.

FOR FURTHER INFORMATION CONTACT: Dinah McDougall or David J. Goldberger, Office 2, AD/CVD Enforcement Group I, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–3773 or (202) 482–4136, 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 citations to the Department of Commerce's (the ''Department's'') regulations are to 19 CFR part 351 (1998).

Preliminary Determination

We preliminarily determine that synthetic indigo from the People's Republic of China (''PRC'') is being, or is 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 Duty Investigation: Synthetic Indigo from the People's Republic of China, 64 FR 40831, July 28, 1999) (*Notice of Initiation*) the following events have occurred:

On August 16, 1999, the United States International Trade Commission (''ITC'') notified the Department of its affirmative preliminary injury determination in this case.

On August 20, 1999, the Department issued an antidumping questionnaire to the China Chamber of Commerce for Metals, Minerals & Chemicals (the ''Chamber'') and the Ministry of Foreign Trade and Economic Cooperation (''MOFTEC'') with instructions to forward the questionnaire to all producers/exporters of the subject merchandise for their response by the specified deadline dates. We also sent courtesy copies of the antidumping duty questionnaire to the following companies identified as possible exporters/producers of the subject merchandise during the period of investigation (''POI''):

Beijing Dyestuffs Plant
China National Chemical Construction Jiangsu Company
Chongqing Chuanran Chemicals General Plant
Chongqing Dyestuff Import & Export United Corp.
Chung Hing Chemicals
Hainan Huanhai Development Co., Ltd
Hebei Jinzhou Import & Export Corporation
Hebei Chemical Import & Export Co.
Hebei WuQiang Chemical General Factory
Jinhua Chemical Group
Jiahui Chemicals Works Theeast Tianjin
Jiangsu Taifeng Chemical Industry Co., Ltd.
Lianyungang Chemicals Medicines Products
Sinochem Hebei Import & Export Corp.
Sinochem Liaoning Import & Export Co.
Sinochem Ningbo Import & Export Corp.
Suzhou Foreign Trade Corp.
Syntron Industrial Co., Ltd.
Wonderful Chemical Industrial Ltd.
Wuhan Tianging Chemicals Import & Export Corp.
Yong Fong Trade & Development Corp.

During the period September through October 1999, the Department received questionnaire responses from (1) Wonderful Chemical Industrial Ltd. (''Wonderful''); (2) Taixing Taifeng Dyestuff Company Ltd. (''Taixing Taifeng''); (3) Jiangsu Taifeng Chemical Industry Co., Ltd. (''Jiangsu Taifeng''); (4) China National Chemical Construction Jiangsu Company (''CNCCJC''); (5) China Jiangsu International Economic Technical Cooperation Corp. (''CJIETCC''); (6) Shanghai Yongchen International Trading Company Ltd. (''Shanghai Yongchen''); (7) Kwong Fat Hong Group of Hong Kong (''Kwong Fat''); (8) Tianjin Jiahui Dyestuffs & Chemical Plant (''Tianjin Jiahui''); (9) Tianjin Hongfa Group Co. (''Tianjin Hongfa''); (10) Hebei Jinzhou Import & Export Corporation (''Hebei Jinzhou''); (11) Hebei Huiqian (''Hebei Huiqian''); (12) Beijing Dyestuffs Plant (''Beijing Dyestuffs''); (13) Sinochem Hebei Import & Export Corp. (''Sinochem Hebei''); (14) Chongqing Dyestuff Import & Export United Corp. (''Chongqing United''); and (15) Wuhan Tianging Chemicals Import & Export Corp., Ltd. (''Wuhan''). In addition, Jinhua Chemical Group Import & Export Corp. contacted the Department and stated that it does not produce or export the subject merchandise to the United States.

On October 5, 1999, pursuant to section 777A(c) of the Act, the Department determined that, due to the large number of exporters/producers of the subject merchandise, it would limit the number of mandatory respondents in this investigation. *See* ''Respondent Selection'' section below.

On October 13, 1999, the Department invited interested parties to provide publicly available information (''PAI'') for valuing the factors of production and for surrogate country selection.

On October 28, 1999, the petitioners alleged that critical circumstances exist with respect to imports of synthetic indigo from the PRC. Accordingly, pursuant to section 732(e) of the Act, on November 2, 1999, the Department requested information regarding monthly shipments of synthetic indigo to the United States during the period January 1997 to October 1999, from the mandatory respondents participating in this investigation. We received the requested information on November 17, 1999. The critical circumstances analysis for the preliminary determination is discussed below under ''Critical Circumstances.''

On November 2, 1999, the respondents requested that the PRC be treated as a market economy in this investigation. The respondents also requested that the synthetic indigo industry be considered a market-oriented industry (''MOI'') in a November 22, 1999, submission. Treatment of both of these claims is discussed below under ''Nonmarket Economy Country and Market-Oriented Industry Status.''

Postponement of Final Determination and Extension of Provisional Measures

Pursuant to section 735(a)(2) of the Act, on December 1, 1999, the mandatory PRC respondents requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until not later than 135 days after the date of the publication of an affirmative preliminary determination in the **Federal Register**. On December 6, 1999, these parties amended their request to agree to extend the provisional measures to not more than six months. In accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) the requesting exporters account for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting the respondents' request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register**. Suspension of liquidation will be extended accordingly.

Scope of Investigation

The products subject to this investigation are the deep blue synthetic vat dye known as synthetic indigo and those of its derivatives designated commercially as ''Vat Blue 1.'' Included are Vat Blue 1 (synthetic indigo), Color Index No. 73000, and its derivatives, pre-reduced indigo or indigo white (Color Index No. 73001) and solubilized indigo (Color Index No. 73002). The subject merchandise may be sold in any form (*e.g.,* powder, granular, paste, liquid, or solution) and in any strength. Synthetic indigo and its derivatives subject to this investigation are currently classifiable under subheadings 3204.15.10.00, 3204.15.40.00 or 3204.15.80.00 of the *Harmonized Tariff Schedule of the United States* (''HTSUS''). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Period of Investigation

The POI comprises each exporter's two most recent fiscal quarters prior to the filing of the petition, *i.e.,* October 1, 1998 through March 31, 1999.

Respondent Selection

The Department determined that the resources available to it for this investigation limited its ability to analyze any more than the responses of the two largest exporter/producers of

the subject merchandise in this investigation, their affiliates, and their associated producers. Based on Section A questionnaire responses, the Department selected the two largest exporter groups to be the mandatory respondents in this proceeding: (a) Wonderful/Jiangsu Taifeng and (b) Kwong Fat. (*See* Memorandum from the Team to Louis Apple dated October 5, 1999). After further analysis of the questionnaire responses and in consideration of section 772(a) of the Act, we preliminarily determined that Tianjin Hongfa, rather than Kwong Fat, is the appropriate respondent exporter and thus have used Tianjin Hongfa's sales to Kwong Fat, rather than Kwong Fat's sales to unaffiliated purchasers in the United States, in this preliminary determination (*see* discussion below under ''Export Price''). Accordingly, Wonderful and Tianjin Hongfa are the mandatory respondents analyzed in this preliminary determination.

Nonmarket Economy Country and Market-Oriented Industry Status

The Department has treated the PRC as a NME in all past antidumping investigations (*see, e.g., Final Determination of Sales at Less Than Fair Value: Certain Preserved Mushrooms from the People's Republic of China,* 63 FR 72255, December 31, 1998 (''*Mushrooms*''); *Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China,* 60 FR 22545, May 8, 1995, (''*Furfuryl Alcohol*''); and *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China,* 59 FR 22585, May 2, 1994, (''*Silicon Carbide*'')). A designation as an NME remains in effect until it is revoked by the Department (*see* section 771(18)(C) of the Act).

On November 2, 1999, the respondents made a claim that economic changes in the PRC warrant revocation of the PRC's NME status. Because the respondents' submission does not provide sufficient support for their claim for market economy status and does not address a number of important factors for determining market economy status (*see* Memorandum from the Team to Lou Apple, dated December 6, 1999), we have preliminarily determined to continue to treat the PRC as a NME.

In a November 22, 1999, submission, the respondents requested that synthetic indigo be treated as a MOI, and accordingly, that the Department should rely on the actual PRC prices or costs for calculating normal value (''NV''). As a threshold matter, we note that the respondents have not provided information for the record that covers virtually all of the producers of the industry. While the Department has received information from a number of exporters and manufacturers of the subject merchandise, as stated above, we do not have information from other exporters and producers. The Chamber states in a September 10, 1999, submission that ''[w]e believe that the quantity exported by the companies who have agreed to cooperate in this investigation accounts for a substantial majority of the total quantity exported from China during the POI.'' The Chamber refers to the exporters ''who have agreed to be respondents'' as accounting for at least 65 percent of exports and acknowledges that there are a number of companies which have not supplied any data for this investigation. Further, there is no information on the record which defines how large the universe of synthetic indigo producers in the PRC is with any specificity. Even in those cases where the number of investigated firms is limited by the Department, a MOI allegation must cover all (or virtually all) of the producers in the industry in question (*see Mushrooms* at 72256, and *Final Determination of Sales at Less Than Fair Value: Freshwater Crawfish Tail Meat from the PRC*, 62 FR 41347, 41353, August 1, 1997). Thus, as it is clear that the respondents' claim does not cover substantially all of the producers in the PRC synthetic indigo industry, we are unable to consider the MOI claim further.

Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single antidumping duty deposit rate. In this case, each respondent has requested a separate company-specific rate. Wonderful is a Hong Kong trading company which is wholly-owned by a Hong Kong entity. Therefore, we determined that no separate rate analysis is required for it. Because Wonderful's affiliate Jiangsu Taifeng, which is jointly owned by Wonderful and a PRC company, also made direct sales to the United States during the POI, it is eligible for consideration of a separate rate. Tianjin Hongfa states that it is ''owned by the people.'' As stated in *Silicon Carbide* and *Furfuryl Alcohol*, ownership of the company by ''all the people'' does not require the application of a single rate. Accordingly, Tianjin Hongfa is also eligible for consideration of a separate rate.

The Department's separate rate test to determine whether the exporters are independent from government control is not concerned, in general, with macroeconomic/border-type controls, *e.g.*, export licenses and quotas and minimum export prices, particularly if these controls are imposed to prevent dumping. The test focuses, rather, on controls over the investment, pricing, and output decision-making process at the individual firm level. See *Certain Cut-to-Length Carbon Steel Plate from Ukraine: Final Determination of Sales at Less than Fair Value*, 62 FR 61754, 61757, November 19, 1997; *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 61276, 61279, November 17, 1997; and *Honey from the People's Republic of China: Preliminary Determination of Sales at Less than Fair Value*, 60 FR 14725, 14726, March 20, 1995.

To establish whether a firm is sufficiently independent from government control to be entitled to a separate rate, the Department analyzes each exporting entity under a test arising out of the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 May 6, 1991 and amplified in Silicon Carbide. Under the separate rates criteria, the Department assigns separate rates in NME cases only if respondents can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities.

1. Absence of *De Jure* Control

The respondents have placed on the record a number of documents to demonstrate absence of *de jure* control, including the ''Foreign Trade Law of the People's Republic of China'' and the ''Company Law of the People's Republic of China.'' In prior cases, the Department has analyzed such laws and found that they establish an absence of *de jure* control (*see, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Certain Partial-Extension Steel Drawer Slides with Rollers from the People's Republic of China*, 60 FR 54472, October 24, 1995; and *Furfuryl Alcohol*). We have no new information in this proceeding which would cause us to reconsider this determination.

According to the respondents, exports of synthetic indigo are not subject to export quotas, nor does the subject merchandise appear on any government list regarding export provisions or export licensing. Therefore, we

preliminarily determine that, within the synthetic indigo industry, there is an absence of *de jure* government control over export pricing and marketing decisions of firms.

2. Absence of *De Facto* Control

As stated in previous cases, there is some evidence that certain enactments of the PRC central government have not been implemented uniformly among different sectors and/or jurisdictions in the PRC. (*See Silicon Carbide* and *Furfuryl Alcohol*.) Therefore, the Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

The Department typically considers four factors in evaluating whether each respondent is subject to *de facto* governmental control of its export functions: (1) Whether the export prices are set by, or subject to, the approval of a governmental authority; (2) whether the respondent has authority to negotiate and sign contracts, and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of its management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses (*see Silicon Carbide* and *Furfuryl Alcohol*).

Both Jiangsu Taifeng and Tianjin Hongfa asserted the following: (1) They establish their own export prices; (2) they negotiate contracts without guidance from any governmental entities or organizations; (3) they make their own personnel decisions; and (4) they retain the proceeds of their export sales, use profits according to their business needs, and have the authority to sell their assets and to obtain loans. Additionally, the questionnaire responses indicate that company-specific pricing during the POI does not suggest coordination among exporters. This information supports a preliminary finding that there is an absence of *de facto* governmental control of the export functions of these companies. Consequently, we preliminarily determine that both Jiangsu Taifeng and Tianjin Hongfa have met the criteria for the application of separate rates.

Margins for Exporters Whose Responses Were Not Analyzed

For the responding companies that provided all the questionnaire responses requested of them and otherwise fully cooperated with the Department's investigation, but nonetheless, were not fully analyzed by the Department due to limited resources (*see* ''Respondent Selection'' section above), we assigned the weighted-average of the rates of the fully-analyzed companies as a non-adverse facts available rate. Companies receiving this rate are identified by name in the ''Suspension of Liquidation'' section of this notice.

The parties who responded but were not analyzed have applied for separate rates, and provided information for the Department to consider for this purpose. Although the Department is unable, due to administrative constraints, to consider the requests for separate rates status, and to calculate a separate rate for each of these named parties who are exporters, there has been no failure on the part of these exporters to provide requested information. Because it would not be appropriate for the Department to assign to these cooperative exporters a margin based on adverse facts available, the Department has assigned these exporters a rate based on a weighted-average of the rates of the two analyzed exporters.

PRC-Wide Rate

U.S. import statistics indicate that the total quantity and value of U.S. imports of synthetic indigo from the PRC is greater than the total quantity and value of synthetic indigo reported by all PRC exporters that submitted responses in this investigation. In addition, as noted above, the Chamber stated in a September 10, 1999, letter that not all exporters have responded to the Department's questionnaire. Accordingly, we applied a single antidumping deposit rate—the PRC-wide rate—to all exporters in the PRC, other than those specifically identified below under ''Suspension of Liquidation,'' based on our presumption that the export activities of the companies that failed to respond to the Department's questionnaire are controlled by the PRC government (*see, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Bicycles from the People's Republic of China*, 61 FR 19026, April 30, 1996 (*''Bicycles from the PRC''*)).

As explained below, this PRC-wide antidumping rate is based on adverse facts available. 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.''

Section 776(b) of the Act provides that adverse inferences may be used when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. The exporters that decided not to respond to the Department's questionnaire failed to act to the best of their ability in this investigation. Further, absent a response, we must presume government control of these and all other PRC companies for which we cannot make a separate rates determination. Therefore, the Department has determined that, in selecting from among the facts otherwise available, an adverse inference is warranted.

As adverse facts available, we assigned the highest margin based on information in the petition, because the margins derived from the petition are higher than either of the calculated margins.

Section 776(c) of the Act provides that where the Department selects from among the facts otherwise available and relies on ''secondary information,'' such as the petition, the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The Statement of Administrative Action accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Sess. (1994) (hereinafter, the ''SAA''), states that ''corroborate'' means to determine that the information used has probative value. See SAA at 870.

The petitioners' methodology for calculating the export price (''EP'') and NV is discussed in the *Notice of Initiation*. To corroborate the petitioners' EP calculations, we compared the prices in the petition to the prices submitted by respondents for the same indigo product. To corroborate the petitioners' NV calculations, we compared the petitioners' factor consumption data to the data reported by the respondents, and the surrogate values for these factors in the petition to the values selected for the preliminary determination.

As discussed in the Memorandum from the Team to the File entitled *Corroboration of Data Contained in the Petition for Assigning an Adverse Facts Available Rate*, dated December 6, 1999,

we found that the U.S. price and factors of production information in the petition to be reasonable and of probative value. As a number of the surrogate values selected for the preliminary determination differed from those used in the petition, notably the ratio for selling, general and administrative (''SG&A'') expenses, we compared the petition margin calculations to the calculations based on the selected surrogate values wherever possible and found they were reasonably close. Therefore, we preliminarily determine that the petition information continues to have probative value. Accordingly, we find that the highest margin from the petition, 129.60 percent, is corroborated within the meaning of section 776(c) of the Act.

Fair Value Comparisons

To determine whether sales of the subject merchandise by Wonderful/Jiangsu Taifeng and Tianjin Hongfa to the United States were made at LTFV, we compared the EP to the NV, as described in the ''Export Price'' and ''Normal Value'' sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI-wide, weighted-average EPs to the POI-wide, weighted-average NV.

Export Price

Under section 772(a) of the Act, EP is to be based on the ''price at which the merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States. * * *'' That is, the Department must examine the first sale between unaffiliated parties where the seller knows that the merchandise is destined for the United States.

Wonderful/Jiangsu Taifeng

The Hong Kong-based exporter Wonderful purchases the subject merchandise from its PRC-based affiliated producers, Jiangsu Taifeng and Taixing Taifeng, via PRC trading companies.[1] Because the producers are affiliated with Wonderful, we based EP on Wonderful's sales to the unaffiliated U.S. customer in accordance with section 772(a) of the Act (*see also Preliminary Determination of Sales at Less Than Fair Value : Certain Preserved Mushrooms from the People's Republic of China*, 63 FR 41794, 41796, August 5, 1998). Wonderful also reported that a small percentage of all sales of synthetic indigo to the United States during the POI were made directly by its affiliated producer, Jiangsu Taifeng. Because of the close affiliation between Wonderful and Jiangsu Taifeng, we have calculated a single rate for these companies based on product-specific, weighted-average EPs.

We used EP methodology in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to unaffiliated customers in the United States prior to importation and CEP methodology was not otherwise indicated. We calculated EP based on packed CIF prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price), for inland freight from the plant/warehouse to port of exit, brokerage and handling in the PRC, and ocean freight and insurance, where appropriate, in accordance with section 772(c) of the Act. Because domestic brokerage and handling and inland freight were provided by NME companies, we based those charges on surrogate rates from India, as discussed in the Preliminary Determination Valuation Memorandum from the Team to the File dated December 6, 1999 (''Valuation Memorandum''). As Wonderful and Jiangsu Taifeng reported using market economy suppliers for ocean freight and insurance, we valued these expenses using the actual reported costs.

Tianjin Hongfa

For purposes of the preliminary determination, we have based EP on sales by Tianjin Hongfa, a trading company in the PRC, to Kwong Fat, an unaffiliated Hong Kong-based exporter. To determine the appropriate transaction to analyze for purposes of EP, we examined whether Tianjin Hongfa sold the subject merchandise to Kwong Fat with the knowledge that the merchandise was destined for export to the United States.

Based on our examination of the questionnaire responses, we preliminarily determined that Tianjin Hongfa has knowledge that merchandise is for export to the United States at the time of sale, since it is involved in arranging for the direct shipment of the merchandise to the port of destination in the United States, and is responsible for preparing sales and shipment documents issued on or about the date of sale which clearly indicate that the United States is the destination for the merchandise being exported. Furthermore, Tianjin Hongfa reports that it only sells synthetic indigo to Kwong Fat, with the knowledge that Kwong Fat only ships synthetic indigo to the United States. Thus, for purposes of the preliminary determination, we have based EP on Tianjin Hongfa's sales to Kwong Fat.

We used EP methodology in accordance with section 772(a) of the Act because the subject merchandise was sold directly to an unaffiliated purchaser for exportation to the United States prior to importation, as discussed above, and CEP methodology was not otherwise indicated. We calculated EP based on packed FOB prices and made deductions from the starting price (gross unit price) for inland freight from the plant/warehouse to port of exit, and brokerage and handling in the PRC. Because domestic brokerage and handling and inland freight were provided by NME companies, we based those charges on surrogate rates from India, as discussed in the Valuation Memorandum.

Normal Value

A. Surrogate Country

Section 773(c)(4) of the Act requires the Department to value the NME producer's factors of production, to the extent possible, in one or more market economy countries that: (1) Are at a level of economic development comparable to that of the NME, and (2) are significant producers of comparable merchandise. The Department has determined that India, Pakistan, Sri Lanka, Egypt, Indonesia, and the Philippines are countries comparable to the PRC in terms of overall economic development (*see* Memorandum from Jeff May, Director of Office of Policy, to Louis Apple, Director of Office 2, AD/CVD Enforcement Group I, dated October 8, 1999). According to the available information on the record, we have determined that India meets the statutory requirements for an appropriate surrogate country for the PRC. Accordingly, we have calculated NV using Indian values for the PRC producers' factors of production except, as noted below, in certain instances where an input was sourced from a market economy and paid for in a market economy currency. We have obtained and relied upon PAI wherever possible.

B. Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on the factors of production reported by the companies in the PRC which produced

[1] Wonderful reported the following entities as the intermediate trading companies it used: CNCCJC, Shanghai Yongchen, CJIETCC, and China National Chemical Supply & Sales Corp.

synthetic indigo for the exporters which sold synthetic indigo to the United States during the POI. To calculate NV, the reported unit factor quantities were multiplied by publicly available Indian values, where possible. For comparison to sales made by Wonderful and its affiliate Jiangsu Taifeng, we calculated a weighted-average NV based on the factors of production reported by Jiangsu Taifeng and Taixing Taifeng, as the record evidence indicates that these companies produced the same merchandise during the POI.

Wonderful claimed that its producers' consumption of aniline was sourced from a market economy and paid for in market economy currency, and thus the actual price paid should be used in our calculation of NV, in accordance with 19 CFR 351.408(a)(1). However, the support documentation submitted by Wonderful shows that the aniline was imported by an intermediate trading company in the PRC, not by Wonderful's affiliated PRC producers. Further, there is no indication on the support documentation that the material was actually produced in a market economy, or that the material was ever actually transported to the producers and used by them. Accordingly, there is an insufficient basis upon which to rely on this alleged market economy purchase to value these indigo producers' consumption of aniline and, therefore, we have relied on the surrogate value, as discussed below.

Wonderful also claimed that it purchased the dispersing agent SK2 for its producers from a market economy through the supplier's affiliate in Hong Kong. However, the support documentation included in Wonderful's questionnaire response provides no indication that the material was actually produced in, or even shipped from, a market economy. Thus, there is an insufficient basis upon which to rely on this alleged market economy purchase to value the indigo producers' consumption of this dispersing agent. We have no other information to value this material. As this material is reportedly consumed in very small quantities, we have not valued this material for purposes of this preliminary determination.

The selection of the surrogate values applied for purposes of this determination was based on the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices to make them delivered prices. For those values not contemporaneous with the POI and quoted in a foreign currency, we adjusted for inflation using wholesale price indices published in the International Monetary Fund's *International Financial Statistics*. For a complete analysis of surrogate values, see the Valuation Memorandum.

We valued raw materials used in the producers' production of the subject merchandise based on data from one of the following sources:

- Average Indian domestic unit price, as quoted in the Indian publication *Chemical Weekly* from November 1998 through March 1999. We adjusted the average price to exclude the Indian excise tax, based on information provided by the petitioners.
- The weighted-average unit import value derived from various editions of *Monthly Statistics of the Foreign Trade of India ("Monthly Statistics")*.
- The weighted-average unit price for Indian exports, on an FOB basis, as published in *Chemical Weekly* during the period October 1997 through September 1998.
- The average of price quotes submitted as public documents by the petitioners and the respondents, adjusted to exclude Indian excise taxes, where appropriate.

For certain materials reportedly consumed in small to very small quantities, such as dispersing agents, wetting agents, and lubricants, we were unable to identify appropriate surrogate values. Therefore, we have not included these factors in our preliminary determination NV calculation.

In past antidumping proceedings, the Department has relied on the import data from *Monthly Statistics* to value aniline, rather than the domestic price from *Chemical Weekly*, because of distortions and aberrations in the Indian domestic price (*see, e.g., Final Results of Antidumping Administrative Review: Sulfanilic Acid from the People's Republic of China*, 63 FR 63834, November 17, 1998). However, the petitioners have placed information on the record of this investigation to indicate that the distortions in domestic prices are disappearing, as the Indian import tariff on aniline has been reduced to the same level as that of other chemicals, and the pricing of domestic aniline is now comparable to that of imported aniline (*see* the petitioners' submission of November 5, 1999, at pages 7–8 and Exhibit 6A). While the Department continued to rely on the import value in the *Preliminary Results of Antidumping Administrative Review: Sulfanilic Acid from the People's Republic of China*, 64 FR 48788, September 8, 1999, based on the information on the record of the instant proceeding, it appears that any distortions remaining in the Indian domestic prices are not any greater than those which may exist in the import prices. Of the values under consideration, the domestic, excise-tax-exclusive value for the POI is preferable to the average unit import value from an earlier period. Therefore, for purposes of this preliminary determination, we have relied on the average Indian domestic prices (exclusive of excise taxes) for the aniline surrogate value.

Tianjin Hongfa's PRC producer, Tianjin Jiahui, reported that it resold iron slurry and mixed alkali by-products from its synthetic indigo production. However, we did not make an offset deduction to the surrogate cost of production because we were unable to identify appropriate surrogate values for these materials. We note further that Tianjin Jiahui considers these materials to have very low values.

We valued labor based on a regression-based wage rate, in accordance with 19 CFR 351.408(c)(3).

To value electricity and furnace oil, we used an average rate derived from the 1998–1999 annual reports of three Indian companies. We based the value of steam coal on data from the *Monthly Statistics*. For diesel fuel, we used average prices reported in the December 1997 issue of *Economic Times of India*. Where a producer reported the consumption of purchased steam, we valued the steam based on an average rate found in the 1997–1998 annual report of an Indian company.

To value water, we relied on the publicly available tariff rates reported in the October 1997 publication *Second Water Utilities Data Book: Asian and Pacific Region*. We valued water separately, rather than as part of factory overhead, in accordance with a number of other PRC proceedings, because the information used to derive factory overhead appeared to exclude water consumption expenses (*see* Valuation Memorandum).

We based our calculation of factory overhead, SG&A expenses, and profit on data contained in the 1998–1999 Annual Report of Daurala Organics Ltd., an Indian producer of phenylglycine, a chemical intermediate produced during the manufacture of synthetic indigo. As discussed in the Valuation Memorandum, we used this information as no data was available from a synthetic indigo producer in any of the surrogate countries.

To value truck freight rates, we used POI rates published in the *Economic Times of India*. As we were unable to identify a surrogate value for inland water transportation, we valued boat and barge transportation using the surrogate value for truck freight. With regard to rail freight, we based our

calculation on information from the *Indian Railway Conference Association*.

In accordance with the decision in *Sigma Corp.* v. *United States*, 117 F.3d 1401 (CAFC 1997), when using an import surrogate value, we have added to CIF surrogate values from India a surrogate freight cost using the shorter of the reported distances from either the closest PRC port to the factory, or from the domestic supplier to the factory.

For the reported packing materials, we used import values from the *Monthly Statistics.*

Critical Circumstances

On October 28, 1999, the petitioners alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of synthetic indigo from the PRC. In accordance with 19 CFR 351.206(c)(2)(i), since this allegation was filed at least 20 days before the deadline for the Department's preliminary determination, we must issue our preliminary critical circumstances determination no later than the preliminary determination of sales at LTFV.

Section 733(e)(1) of the Act provides that if a petitioner alleges critical circumstances, the Department will determine whether there is a reasonable basis to believe or suspect that:

(A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or

(ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and

(B) there have been massive imports of the subject merchandise over a relatively short period.

We are not aware of any antidumping order in any country on synthetic indigo from the PRC. Therefore, we examined whether there was importer knowledge. The Department normally considers margins of 25 percent or more for EP sales, or 15 percent or more for CEP sales, and a preliminary ITC determination of material injury sufficient to impute knowledge of dumping and the likelihood of resultant material injury. In this investigation, because the dumping margins for both mandatory respondents, the non-mandatory PRC exporters, and all other producers/exporters are greater than 25 percent, we have imputed knowledge of dumping to importers of subject merchandise from all producers/exporters. As to the knowledge of injury from such dumped imports, if, as in this case, the ITC finds a reasonable indication of present material injury to the relevant U.S. industry, the Department will determine that a reasonable basis exists to impute importer knowledge that there would be material injury by reason of dumped imports during the critical circumstances period—the 90-day period beginning with the initiation of the investigation. *See* 19 CFR 351.206(i).

Accordingly, we find that the importers either knew, or should have known, that the imports of synthetic indigo were being sold at LTFV and that there was likely to be material injury be reason of such sales.

Because we have preliminarily found that the first statutory criterion is met, we must consider the second statutory criterion: whether imports of the merchandise have been massive over a relatively short period. According to 19 CFR 351.206(h), we consider the following to determine whether imports have been massive over a relatively short period of time: (1) Volume and value of the imports; (2) seasonal trends (if applicable); and (3) the share of domestic consumption accounted for by the imports.

When examining volume and value data, the Department typically compares the export volume for equal periods immediately preceding and following the filing of the petition. Under 19 CFR 351.206(h), unless the imports in the comparison period have increased by at least 15 percent over the imports during the base period, we will not consider the imports to have been ''massive.'' The Department examines shipment information submitted by the respondent or import statistics when respondent-specific shipment information is not available.

To determine whether or not imports of subject merchandise have been massive over a relatively short period, we compared the mandatory respondent's export volume for the four months subsequent to the filing of the petition (July-October 1999) to that during the four months prior to the filing of the petition (March-June 1999). These periods were selected based on the Department's practice of using the longest period for which information is available from the month that the petition was submitted through the effective date of the preliminary determination. For the non-mandatory PRC exporters and all PRC exporters subject to the PRC rate, we performed this analysis using import statistics through September 1999 (the latest month for which such data was available), and then subtracted the figures of the mandatory respondents. Although synthetic indigo is classifiable under several HTSUS subheadings, we based our analysis on the one HTSUS category which includes the majority of synthetic indigo and its derivatives subject to this investigation. For further discussion of the data examined, see the Memorandum from The Team to The File dated December 6, 1999.

Based on our analysis, we preliminarily find that the increase in imports was significantly greater than 15 percent with respect to the named respondents, the non-mandatory PRC exporters, and all other producers/exporters.

With regard to seasonal trends, we reviewed the record and found no information indicating that seasonal trends apply in this case. With regard to the share of domestic consumption accounted for by imports, pursuant to 19 CFR 351.206(h)(iii), we considered the information submitted by petitioners on November 24, 1999.

Based on the foregoing analysis, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to synthetic indigo from the mandatory respondents in this investigation as well as the non-mandatory respondents and all other producers/exporters.

We will make a final determination concerning critical circumstances when we make our final determination of sales at LTFV in this investigation.

Verification

As provided in section 782(i) of the Act, we will verify all information relied upon 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 90 days prior to 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 EP, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

Exporter	Weighted-average margin percentage	Critical circumstances
Wonderful Chemical Industrial Ltd./Jiangsu Taifeng Chemical Industry Co., Ltd	78.35	Yes
Tianjin Hongfa Group Co.	126.65	Yes
China National Chemical Construction Jiangsu Company	97.58	Yes
China Jiangsu International Economic Technical Cooperation Corp	97.58	Yes
Shanghai Yongchen International Trading Company Ltd.	97.58	Yes
Hebei Jinzhou Import & Export Corporation	97.58	Yes
Sinochem Hebei Import & Export Corp.	97.58	Yes
Chongqing Dyestuff Import & Export United Corp.	97.58	Yes
Wuhan Tianging Chemicals Import & Export Corp., Ltd.	97.58	Yes
PRC-wide Rate	129.60	Yes

The PRC-wide rate applies to all entries of subject merchandise except for entries from exporters that are identified individually above.

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 March 23, 2000, and rebuttal briefs, no later than March 28, 2000. 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 March 30, 2000, 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 no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is issued and published in accordance with sections 733(d) and 777(i)(1) of the Act.

Dated: December 7, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–32395 Filed 12–13–99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–854]

Notice of Opportunity to Comment on the Scope of the Antidumping Duty Investigation of Certain Tin Mill Products From Japan

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

EFFECTIVE DATE: December 14, 1999.

FOR FURTHER INFORMATION CONTACT: Samantha Denenberg at (202) 482–1386 or Linda Ludwig at (202) 482–3833, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

Background

On November 30, 1999, the Department of Commerce (''the Department'') published a notice of initiation for the antidumping duty investigation of certain tin mill products from Japan (64 FR 66892). Omitted from this initiation notice was the Department's invitation for public comment on the scope of the investigation. The Department is now seeking public comment on the scope of the investigation.

Scope of Investigation

The scope of this investigation includes tin mill flat-rolled products that are coated or plated with tin, chromium or chromium oxides. Flat-rolled steel products coated with tin are known as tin plate. Flat-rolled steel products coated with chromium or chromium oxides are known as tin-free steel or electrolytic chromium-coated steel. The scope includes all the noted tin mill products regardless of thickness, width, form (in coils or cut sheets), coating type (electrolytic or otherwise), edge (trimmed, untrimmed or further processed, such and scroll cut), coating thickness, surface finish, temper, coating metal (tin, chromium, chromium oxide), reduction (single-or double-reduced), and whether or not coated with a plastic material.

The merchandise subject to this investigation is classified in the Harmonized Tariff Schedule of the United States (''HTSUS''), under HTSUS subheadings 7210.11.0000, 7210.12.0000, 7210.50.0000, 7212.10.0000, and 7212.50.0000 if of non-alloy steel and under HTSUS subheadings 7225.99.0090, and 7226.99.0000 if of alloy steel. Although the subheadings are provided for convenience and Customs purposes, our written description of the scope of this investigation is dispositive.

During our review of the petition, we discussed the scope with the petitioners to ensure that the scope in the petition accurately reflects the product for which the domestic industry is seeking relief. Moreover, as we discussed in the preamble to the Department's regulations (62 FR 27323), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments within 20 days of the publication of this notice. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, 14th Street