data are credible. Therefore, the Department should rely on adverse facts available for S&J.

DOC Position

At verification we were able to reconcile S&J unaudited financial statements to its 1996 tax return (*see* S&J Cost Verification Report (July 23, 1997)). Therefore, because we were able to tie S&J's financial statements to an independent outside source, we have determined that there is no evidence on the record to indicate the information on the financial statements is unreliable. *See Mexican Flowers*, 60 FR at 49569.

Comment 19: Non-Mandatory Respondents

Petitioner suggests that the Department calculate a margin for non-mandatory respondents using the results of each of the four mandatory respondents, except those with zero dumping margins.

DOC Position

Non-mandatory respondents will be subject to the ''all others'' deposit rate, which we have calculated based on the weighted average of margins calculated for mandatory respondents—excluding zero and *de minimis* margins. (*see* March 13, 1997, Decision Memo)

Comment 20: Critical Circumstances

Petitioner argues that the Department should find that critical circumstances exist with respect to K. Ticho. Petitioner contends that a timely allegation of critical circumstances was made in the petition and that K. Ticho failed to respond to the Department's questionnaire. Therefore, as facts available, the Department should determine that critical circumstances exist with respect to K. Ticho.

DOC Position

We agree with petitioner. Because K. Ticho failed to respond to the Department's questionnaire, we have used the facts available as the basis for determining whether critical circumstances exist. The facts available margin (40.28%) exceeds the threshold for imputing knowledge of dumping to the importers of the merchandise. In addition, we have adversely inferred, as the facts available, a massive increase in imports from K. Ticho. We, therefore, determine that critical circumstances exist for K. Ticho, and will issue appropriate instructions to the Customs service.

We also determine that critical circumstances exist for Romp. As with K. Ticho, the final dumping margin for Romp exceeds 15%, the minimum benchmark established sales to impute importer knowledge of dumping and resultant injury. Also, because we have determined that the reported quantity and value of POI sales are unreliable, we are also adversely inferring, as facts available, a massive increase in imports from Romp.

Continuation of Suspension of Liquidation

In accordance with section 733(d)(1) and 735(c)(4)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of CR nails from Taiwan, that are entered, or withdrawn from warehouse, for consumption on or after May 12, 1997 (the date of publication of the preliminary determination in the **Federal Register**), except as noted below. With respect to entries of CR nails from Taiwan, manufactured and exported by K. Ticho or Romp in accordance with section 735(c) of the Act, we are directing Customs Service to continue suspension of liquidation on all entries that are entered, or withdrawn from warehouse, for consumption on or after February 10, 1997, which is 90 days prior to the date of publication of the preliminary determination. The Customs Service shall continue to require a cash deposit or posting of a bond equal to the estimated amount by which the normal value exceeds the export price as shown below.

In accordance with section 735(a)(4) of the Act, because we have calculated zero or *de minimis* rates for Unicatch, and Lei Chu, we will instruct Customs to terminate suspension of liquidation of entries of CR nails manufactured by these companies and to liquidate such entries without regard to antidumping duties. We note that pursuant to 19 CFR 353.21, these companies will be excluded from any antidumping order resulting from an affirmative finding of material injury by the International Trade Commission. These suspension of liquidation instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Manufacturer/producer/exporter	Margin percentage	Critical circumstances
Unicatch	0.00	No.
Lei Chu	0.07 (De Minimis)	No.
S&J	5.36	No.
Romp	40.28	Yes.
K. Ticho	40.28	Yes.
All Others	5.36	No.

Pursuant to section 733(d)(1)(A) and section 735(c)(5) of the Act, the Department has not included zero or de minimis weighted-average dumping margins, or margins determined entirely under section 776 of the Act, in the calculation of the ''all others'' rate.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (''ITC'') of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered for consumption on or after the effective date of the suspension of liquidation.

This determination is published pursuant to section 735(d) of the Act.

Dated: September 24, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 97–26045 Filed 9–30–97; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–828]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Static Random Access Memory Semiconductors From the Republic of Korea

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

EFFECTIVE DATE: October 1, 1997.

FOR FURTHER INFORMATION CONTACT: Robert Blankenbaker or Rebecca Woodings, Office of AD/CVD Enforcement II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–0989 or (202) 482–0651.

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as

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

Preliminary Determination

We preliminarily determine that static random access memory semiconductors (''SRAMs'') from the Republic of Korea (''Korea'') 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 Duty Investigation: Static Random access Memory Semiconductors From the Republic of Korea*, 62 FR 13596 (March 21, 1997)), the following events have occurred:

In an April 1, 1997 letter to the Department, LG Semicon Co. Ltd. (''LGS'') requested exclusion from participation as a mandatory respondent in this investigation. In the request, LGS argued that it was an extremely small exporter of SRAMs and it accounted for only a small fraction of U.S. SRAM imports from Korea during the period of investigation.

On April 4, 1997, Samsung Electronics Co. Ltd. (''Samsung'') requested that the Department limit its analysis in this proceeding to sales of identical merchandise. On April 16, 1997, the Department determined that it would not limit its analysis to only sales of identical merchandise. The department concluded that the reporting of a very small number of sales of similar merchandise would not impose an undue burden on either Samsung or the Department. (*See* Memorandum form Thomas Futtner to Louis Apple dated April 16, 1997.)

On April 11, 1997, the United States International Trade Commission (''ITC'') notified the Department of its affirmative preliminary determination. (*See* ITC Investigations No. 731–TA–761–762). The ITC found that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of SRAMs from Korea.

On April 16, 1997, we presented the Section A–E questionnaire to Hyundai Electronics Industries Co. Ltd. (''Hyundai''), LGS, and Samsung.

On April 25, 1997, Samsung respected that the Department not require the reporting of the following: (1) Sales of SRAMs that were further processed by Samsung's U.S. subsidiary prior to sale in the United States; (2) export price (''EP'') sales to the United States; and (3) sales of 64K SRAMs. on April 28, 1997, Hyundai also requested to be excused from section E of the questionnaire, which required the reporting of further processed (''FP'') sales. On May 8, 1997, the Department excluded the reporting of FP sales (Section E of the questionnaire) for Samsung and Hyundai, and requested that Samsung report EP sales and sales of 64K SRAMs in the United States. The Department concluded that the value of the FP sales at issue did not justify the extensive expenditure of Department resources that analyzing the sales would have required, whereas the analysis of EP and 64K sales would be both less complex and less burdensome. *See* Memorandum from Thomas Futtner to Louis Apple dated May 8, 1997.

On May 14, 1997, Hyundai, LGS, and Samsung submitted their Section A questionnaire responses. On June 16, 1997, Hyundai and Samsung submitted their Section B–D questionnaire responses.

In a June 16, 1997, letter submitted to the Department, LGS notified the Department that it was withdrawing from further participation in the investigation. In the letter, LGS stated its SRAM sales had declined substantially. LGS explained that, as a result, it had decided to cease U.S. SRAM sales and withdraw from the investigation ''rather than incur the enormous burden in time and expense of further participation in the Department's investigation.''

On July 7, 1997, at the request of the petitioner, we postponed the preliminary determination to September 23, 1997. *See Notice of Postponement of Preliminary Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors from Korea and Taiwan*, 62 FR 36260 (July 7, 1997). On July 31, 1997, the petitioner provided requested a clarification of the scope language in the notice of initiation.

Postponement of Final Determination

On September 10, 1997, Hyundai requested, pursuant to section 735(a)(2)(B) of the Act, that in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until not later than 125 days after the date of publication of the affirmative preliminary determination in the **Federal Register.** In accordance with section 735(a)(2)(A) of the Act and 19 CFR 353.20(b), inasmuch as: (1) Our preliminary determination is affirmative; (2) Hyundai accounts for a significant proportion of exports of the subject merchandise under investigation; and (3) we are not aware of the existence of any compelling reasons for denying the request, we are granting Hyundai's request and postponing the final determination. Suspension of liquidation will be extended accordingly.

Facts Available

As discussed above, LGS withdrew from the investigation and declined to answer the Department's Section B–E questionnaire. Section 776(a)(2) of the Act provides that if an interested party: (1) Withholds information that has been requested by the Department; (2) fails to provide such information in a timely manner or in the form or manner requested; (3) significantly impedes an antidumping investigation; or (4) provides such information but the information cannot be verified, the Department is required to use facts otherwise available (subject to subsections 782(c)(1) and (e)) to make its determination. Because LGS failed to respond to the Department's questionnaire, and because subsections (c)(1) and (e) do not apply with respect to LGS, we must use facts otherwise available to calculate its dumping margin.

Section 776(b) provides that adverse inferences may be used against a party that has failed to cooperate by not acting to the best of its ability to comply with requests for information. *See also* the Statement of Administrative Action accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Sess. 870 (1994) (''SAA''). LGS's decision not to reply to the Department's questionnaire demonstrates that LGS has failed to cooperate to the best of its ability in this investigation. Therefore, the Department has determined that, in selecting among the facts otherwise available for LGS, an adverse inference is warranted.

Section 776(b) states that an adverse inference may include reliance on information derived from the petition or any other information placed on the record. *See also* SAA at 829–831. Section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) in using the facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. When analyzing the petition, the Department

reviewed all of the data the petitioner relied upon in calculating the estimated dumping margin, and adjusted those calculations where necessary. *See* Initiation Checklist, dated March 17, 1997. The estimated dumping margin was based on a comparison of constructed value to a price quotation in the U.S. market offered by Samsung. The estimated dumping margin, as recalculated by the Department, was 55.36 percent.

For purposes of corroboration, the Department re-examined the price information provided in the petition in light of information developed during the investigation and found that it has probative value. *See* Memorandum from the Team to Tom Futtner dated September 23, 1997, for a detailed explanation of corroboration of the information in the petition.

Therefore, as adverse facts available, we are assigning to LGS to margin stated in the notice of initiation, 55.36 percent. This margin is higher than the margin calculated for either respondents in this investigation.

Scope of Investigation

The products covered by this investigation are synchronous, asynchronous, and specialty SRAMs from Korea, whether assembled or unassembled. Assembled SRAMs include all package types. Unassembled SRAMs include processed wafers or die, uncut die, and cut die. Processed wafers produced in Korea, but packaged, or assembled into memory modules, in a third country, are included in the scope; processed wafers produced in a third country and assembled or packaged in Korea are not included in the scope.

The scope of this investigation includes modules containing SRAMs. Such modules include single in-line processing modules (''SIPs''), single in-line memory modules (''SIMMs''), dual in-line memory modules (''DIMMs''), memory cards, or other collections of SRAMs, whether unmounted or mounted on a circuit board.

The SRAMs within the scope of this investigation are classifiable under the subheadings 8542.13.8037 through 8542.13.8049, 8473.30.10 through 8473.30.90, and 8542.13.8005 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Period of Investigation

The period of investigation (''POI'') is January 1, 1996 through December 31, 1996.

Fair Value Comparisons

To determine whether sales of SRAMs from Korea to the United States were made at less than fair value, we compared the United Price (''USP'') to the Normal Value (''NV''), as described in the ''United States 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 USPs for comparison to weighted-average NVs.

In making our comparisons, in accordance with section 771(16) of the Act, we considered all products sold in the home market, fitting the description specified in the ''Scope of Investigation'' section of this notice, above, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product, based on the characteristics listed in Appendix III of the Department's antidumping questionnaire.

Level of Trade and Constructed Export Price (CEP) Offset

In accordance with section 773(a)(1)(B) of the Act, to the extent practical, we determined NV based on sales in the comparison market at the same level of trade as the EP or CEP sales. The NV level of trade is that of the starting-price sales in the comparison market or, when NV is based on constructed value (''CV''), that of the sales from which we derive selling, general and administrative (''SG&A'') expenses and profit. For EP, it 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 level of trade than EP or CEP sales, we examined 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 level of trade, 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 level of trade of the export transaction, we make a level of trade 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 Certain Welded Carbon Steel Standard Pipes and Tubes From India: Preliminary Results of New Shipper Antidumping Duty Administrative Review;* 62 FR 23760, 23761 (May 1, 1997).

We reviewed the questionnaire responses of both respondents to establish whether there were sales at different levels of trade based on marketing stages, selling functions performed, and services offered to each customer or customer class. For both respondents, we identified one level of trade in the home market with direct sales by the foreign producers to unaffiliated domestic customers. These direct sales were made by both respondents to original equipment manufacturers (''OEMs'') and to distributors. All sales, whether made to OEM customers or to distributors, were made at the same marketing stage and involved the same selling functions. For the U.S. market, all U.S. sales for Hyundai and some sales by Samsung were reported as CEP sales. We examined the marketing stage and selling functions performed by the Korean companies for U.S. CEP sales, after the adjustment required by section 772(d) of the Act, and preliminarily determine that they are at a different level of trade from the Korean companies' home market sales because the CEP represents a different marketing stage with fewer selling functions. For instance, the CEP does not include any general promotion, marketing activities, or price negotiations.

Because we compared CEP sales to home market sales at a different level of trade, we examined whether a level of trade adjustment may be appropriate. In this case, both respondents only sold at one level of trade in the home market; therefore, there is no basis upon which either respondent can demonstrate a consistent pattern of price differences between levels of trade. Further, we do not have information which would allow us to examine pricing patterns based on the respondents' sales of other products and there is no other record information on which such an analysis could be based. Because the data available do not provide an appropriate basis for making a level of trade adjustment and the level of trade in the home market is a more advanced stage of distribution than the level of trade of the CEP sales, a CEP offset is appropriate. Therefore, we have accepted both respondents' claims for a CEP offset, pursuant to section 773(a)(7)(B) of the Act.

Time Period for Cost and Price Comparisons

Section 777A(d) of the Act states that in an investigation, the Department will compare the weighted average of the NVs to the weighted average of the EPs/CEPs. Generally, the Department will compare sales and conduct the sales below cost testing using annual averages. However, where prices have moved significantly over the course of the POI, it has been the Department's practice to use shorter time periods. *See, e.g., Final Determination of Sales at Less Than Fair Value: Erasable Programmable Read Only Memories (EPROMs) from Japan;* 51 FR 39680, 39682 (October 30, 1986); *Final Determination of Sales at Less Than Fair Value: Dynamic Random Access Memory Semiconductors of One Megabit and Above From the Republic of Korea;* 58 FR 15467, 15476 (March 23, 1993).

We invited comments from interested parties regarding this issue. An analysis of these comments revealed that all parties agreed that the SRAMs market experienced a significant and consistent price decline during the POI. Accordingly, in recognition of the significant and consistent price declines in the SRAMs market during the POI, the Department has compared prices and conducted the sales below cost test using quarterly data. In accordance with section 773(b)(2)(D) of the Act, we conducted the recovery of cost test using annual cost data.

United States Price

Hyundai

We calculated CEP for Hyundai, in accordance with sections 772(b), (c), and (d) of the Act. We found that CEP is warranted because all U.S. sales activities associated with U.S. sales took place in the United States through a wholly-owned subsidiary of Hyundai. We calculated CEP based on the price to the first unaffiliated customer in the United States. We made deductions from the gross unit price for the following expenses: foreign inland freight, brokerage, and handling; international freight and insurance; and U.S. brokerage, handling and inland freight.

Pursuant to section 772(d) (1) and (2) of the Act, we also made deductions for commissions; credit, inventory carrying costs, and other indirect and direct selling expenses; and bank and extended test charges. Finally, we made an adjustment for CEP profit in accordance with section 772(d)(3) of the Act.

Samsung

We calculated CEP for Samsung, in accordance with sections 772 (b), (c), and (d) of the Act. We found that CEP is warranted for some U.S. sales because these sales took place in the United States through a wholly-owned subsidiary of Samsung. We calculated CEP based on the price to the first unaffiliated customer in the United States. We made deductions from the gross unit price for the following expenses: foreign inland freight, brokerage, handling, and banking charges; international freight and insurance; and U.S. inland freight, brokerage, handling, insurance, and banking charges.

Pursuant to section 772(d) (1) and (2) of the Act, we also made deductions for commissioners, credit, advertising, cooperative, and royalty expenses; inventory carrying costs and other direct and indirect selling expenses. We also deducted U.S. repacking costs. Finally, we made an adjustment for CEP profit in accordance with section 772(d)(3) of the Act.

For the EP sales by Samsung, we made deductions from the gross unit price for the following expenses: foreign inland freight, brokerage, handling, and banking charges; international freight and insurance; and U.S. inland freight, brokerage, handling, and banking charges.

Normal Value

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 each respondent's aggregate volume of home market sales of the foreign like product to the aggregate volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Each respondent'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 of the subject merchandise. Accordingly, we determined that its home market was viable for each respondent.

Based on a cost allegation presented in the petition, the Department found reasonable grounds to believe or suspect that sales by both respondents in their home market were made at prices below their respective costs of production (''COPs''). As a result, the Department initiated an investigation to determine whether either respondent made home market sales during the POI at prices below its COP, within the meaning of section 773(b) of the Act.

We calculated COP as the sum of each respondent's cost of materials and fabrication for the foreign like product, plus amounts for SG&A and packing costs, in accordance with section 773(b)(3) of the Act. We used the respondents' reported COP, adjusted as discussed below, to compute quarterly weighted-average COP of the POI. We compared the weighted-average COPs 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. On a product-specific basis, we compared COP to the home market prices, less any applicable movement charges, discounts, and packing expenses.

In determining whether to disregard home market sales made at prices below the COP, we examined whether: (1) Within an extended period of time, such sales were made in substantial quantities; and (2) such sales were made at prices which permitted recovery of all costs within a reasonable period of time in the normal course of trade. Where 20 percent or more of a respondent's sales of given product during the POI were at prices below the COP, we found that sales of that model were made in ''substantial quantities'' within an extended period of time, in accordance with section 773(b)(2) (B) and (C). To determine whether prices were such as to provide for recovery of costs within a reasonable period of time, we tested whether the prices which were below the per unit cost of production at the time of the sale were above the weighted average per unit cost of production for the POI, in accordance with section 773(b)(2)(D). Where we found that a substantial quantity of sales during the POI were below cost and not at prices that provided for recovery of costs within a reasonable period of time, we disregarded the below cost sales.

Where NV was calculated using prices to unaffiliated customers, we made appropriate adjustments to those prices. First, we deducted home market inland freight and home market packing costs. Where there were differences in the merchandise to be compared, we made adjustments in accordance with section 773(a)(6)(C)(ii) of the Act to account for those differences. Where appropriate, we made circumstances-of-sale adjustments in accordance with section 773(a)(6)(C)(iii) of the Act. For purposes of CEP sales comparisons, we deducted home market indirect expenses up to allowable levels. For purposes of CEP and EP sales comparisons, we added U.S. packing costs in accordance with section 773(a)(6)(A) of the Act.

Where there was no above cost home market sale for comparison, NV was based on CV. In accordance with section

773(e)(1) of the Act, we calculated CV based on the sum of each respondent's cost of materials, fabrication, SG&A, profit, and U.S. packing costs. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by each 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.

Although we generally relied, in our COP and CV calculation, on the data submitted by respondents, we made adjustments in the allocation of both research and development (''R&D'') and interest expense. Adjustments common to both companies are detailed immediately, below, followed by company-specific comments.

For both companies, we allocated all semiconductor R&D over all semiconductor cost of goods sold. *See* Decision Memorandum dated September 23, 1997. We concluded that R&D related to semiconductors benefits all semiconductor products, and that allocation of R&D on a product-specific basis was not appropriate. In support of our methodology, we have placed on the record information regarding cross-fertilization of semiconductor R&D.

In our Section D cost questionnaire, we requested that respondents allocate interest expense over the total cost of goods sold. However, we subsequently determined that this allocation methodology does not appropriately recognize the expenses related to capital investment necessary for semiconductors as compared to other lines of business. Therefore, we allocated net interest expense on the basis of proportional fixed assets for both companies. The Court of International Trade has upheld the Department's methodology of allocating interest expenses on the basis of semiconductor fixed assets. *See Micron Technology, Inc.* v. *United States,* 893 F. Supp. 21, 30 (June 12, 1995).

Finally, we adjusted both respondents' depreciation expenses to reflect their historical depreciation methodologies. We based our adjustments on the fact that, in 1996, both Samsung and Hyundai chose not to record certain accelerated depreciation expenses that, according to their financial statements, they had relied upon in the previous year. In switching to alternative methods for recognizing depreciation expense, the companies did not retroactively restate the bases of their assets, but instead used the net book value of the assets as of the date of the change. Thus, the companies failed to report depreciation expense in a systematic and rational manner over the useful lives of their assets. As a result, disproportionately greater costs were attributed to products manufactured before the change than subsequent to it. *See Final Determination of Sales at Less Than Fair Value: Dynamic Random Access Memory Semiconductors of One Megabit and Above From the Republic of Korea;* 58 FR 15467.15479 (March 23, 1993).

In adjusting the depreciation expenses by Samsung and Hyundai, we relied on the same accelerated depreciation methods used by the companies in 1995. The current record does not contain information with respect to what the appropriate depreciation expenses would be after taking into account the restated bases of the companies' assets. Our use of Samsung's and Hyundai's historical depreciation methods in adjusting reported depreciation expense for COP and CV is consistent with the statutory preference for use of cost allocation methods that have been historically relied upon by respondents. *See* section 773(f)(i)(A) of the Act and SAA at 834.

Hyundai

For those comparison products for which there were sales above the COP, we based NV on delivered prices to home market customers. We made deductions for inland freight, imputed credit expenses and banking charges, and home market direct and indirect selling expenses. As indirect selling expenses, we including inventory carrying costs and other indirect selling expenses, up to the amount of indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2).

For all price-to-price comparisons, we deducted home market packing costs and added U.S. packing costs, in accordance with section 773(a)(6) of the Act. In addition, where appropriate, we made adjustments to NV to account for differences in physical characteristics of the merchandise, in accordance with 773(a)(6)(C)(ii) of the Act and 19 CFR 353.57.

For price-to-CV comparisons, we made deductions, where appropriate, for credit expenses and banking charges. We also deducted home market indirect selling expenses, including inventory carrying costs and other indirect selling expenses, up to the amount of indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2).

Samsung

For those comparisons for which there were sales above the COP, we based NV on delivered prices to home market customers. We made deductions for inland freight, imputed credit, advertising, and royalty expenses, and home market direct and indirect selling expenses. As indirect selling expenses, we including inventory carrying costs and other indirect selling expenses, up to the amount of indirect selling expenses and commissions incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2). In the case of letter-of-credit sales, we added in the amount of any duty-drawback.

Currency Conversion

We made currency conversions into U.S. dollars based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. Section 773A(a) 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. *See Policy Bulletin 96–1: Currency Conversions,* 61 FR 9434 (March 8, 1996).

Section 773A(b) 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 methodology, *see id.* 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 Korean Won did not undergo a sustained movement.

Verification

As provided in section 782(i) of the Act, we will verify all information used 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 entries of subject merchandise from Korea, as defined in the ''Scope of Investigation'' section of this notice, with the exception of subject merchandise that is the product of Samsung. Suspension

will apply to products that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. For these entries, the Customs Service will require a cash deposit or posting of a bond equal to the weighted-average amount by which the normal value exceeds the export price as shown 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 percent margin
Samsung	[1] 1.59
Hyundai	3.38
LG Semicon [2]	[2] 55.36
All others	3.38

[1] De minimis.
[2] Facts Available Rate.

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 threatening material injury to, a U.S. industry.

Public Comment

Case briefs or other written comments in at least six copies must be submitted to the Assistant Secretary for Import Administration no later than December 29, 1997; and rebuttal briefs, no latter than January 5, 1997. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. The 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 give interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on January 7, 1998; time and room to be determined; at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 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 ten 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 February 5, 1998.

This determination is published pursuant to sections 773(f) and 777(i) of the Act.

Dated: September 23, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–583–827]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Static Random Access Memory Semiconductors From Taiwan

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

EFFECTIVE DATE: October 1, 1997.

FOR FURTHER INFORMATION CONTACT: Shawn Thompson or David Genovese, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–1776 or (202) 482–0498, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR part 353 (April 1, 1996).

Preliminary Determination

We preliminarily determine that static random access memory semiconductors (SRAMs) from Taiwan 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 Duty Investigations: SRAMs from the Republic of Korea and Taiwan* (62 FR 13596, March 21, 1997)), the following events have occurred:

During March and April 1997, the Department obtained information from the American Institute in Taiwan identifying potential producers and/or exporters of the subject merchandise to the United States. Based on this information, in April 1997, the Department issued antidumping questionnaires to 22 companies.[1]

Also in April 1997, the United States International Trade Commission (ITC) issued an affirmative preliminary injury determination in this case (*see* ITC Investigation No. 731–TA–761–762).

In May 1997, the Department received responses to Section A of the questionnaire from 18 of the 22 companies. Three of the remaining companies, Advanced Microelectronics, BIT, and Texas-Instruments, did not submit responses to Section A. Therefore, we have assigned a margin to these companies based on facts available. (See the ''Facts Available'' section below, for further discussion.) Regarding the fourth company, Lien Hsing, we were notified by one of the respondents in this investigation that it had received the questionnaire addressed to Lien Hsing, but that it was unaware of the existence of this company. Because Lien Hsing never received the Department's questionnaire and we found no way in which to locate and serve it with the questionnaire, no adverse inference is warranted with respect to it.

Based on the information received from the 18 responding companies, in May 1997, the Department determined that it did not have the administrative resources to investigate all known producers and/or exporters of SRAMs

[1] These companies are as follows: (1) Advanced Microelectronics Products Inc. (Advanced Microelectronics); (2) Alliance Semiconductor Corp. (Alliance); (3) Asia Specific Technology Limited; (4) Best Integrated Technology, Inc. (BIT); (5) Chia Hsin Livestock Corp.; (6) E–CMOS Technology Corporation; (7) Etron Technology, Inc.; (8) G–Link Technology Corp.; (9) Holtek Microelectronics Inc.; (10) Hualon Microelectronics Corporation; (11) Integrated Silicon Solution (Taiwan) Inc. (ISSI); (12) Kes Rood Technology Taiwan Ltd.; (13) Lien Hsing Integrated Circuits (Lien Hsing); (14) Macronix International Co., Ltd.; (15) Mosel-Vitelic, Inc.; (16) Taiwan Memory Technology, Inc.; (17) Taiwan Semiconductor Manufacturing Corporation (TSMC); (18) Texas Instruments-Acer Inc. (Texas Instruments); (19) United Microelectronics Corporation (UMC); (20) Utron Technology, Inc.; (21) Vanguard International Semiconductor Corporation; and (22) Winbond Electronics Corporation (Winbond).