determination or 45 days after the date of our final determination.

Public Comment

Case briefs for this investigation must be submitted no later than one week after the issuance of the verification reports. Rebuttal briefs must be filed within five 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 US 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 cold-rolled 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 this investigation proceeds normally, we will make our final determination no later than 135 days after the date of publication of this notice in the **Federal Register**.

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

Dated: December 28, 1999.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00–299 Filed 1–6–00; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–854]

Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products From The People's Republic of China

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

ACTION: Notice of preliminary determination of sales at less than fair value.

EFFECTIVE DATE: January 7, 2000.

FOR FURTHER INFORMATION CONTACT: Gideon Katz or Karla Whalen, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1102 or (202) 482–1391, respectively.

The Applicable Statue

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR part 351 (1998).

Preliminary Determination

We determine preliminarily that certain cold-rolled flat-rolled carbon quality steel products (''cold-rolled steel'') 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 are shown in the ''Suspension of Liquidation'' section of this notice.

Case History

Since the initiation of this investigation (64 FR 34194, June 25, 1999) (''*Notice of Initiation*''), the following events have occurred:

On June 22, 1999, we sent a Section A questionnaire to the Chinese Ministry of Foreign Trade and Economic Cooperation (''MOFTEC''), the Embassy of the People's Republic of China in Washington, D.C. (''Embassy'') with instructions to forward the questionnaire to all producers/exporters of the subject merchandise explaining that these companies must respond by the due date. We also sent a copy of the questionnaire to Baoshan Iron and Steel Corporation, which was specifically named in the petition. We received no response from MOFTEC nor the Embassy, but we received a response from Shanghai Baosteel Group Corporation (''Baosteel'').

On July 23, 1999, the United States International Trade Commission (''ITC'') issued an affirmative preliminary injury determination in the case (*See* ITC Investigations Nos. 701–TA–393–396 and 731TA–829–840). The ITC found that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from the PRC of cold-rolled steel. On July 9, 1999, we issued an antidumping questionnaire, Sections C–E to MOFTEC and to the Embassy with instructions to forward the questionnaire to all producers/exporters of the subject merchandise and that these companies must respond by the due date. We also sent a courtesy copy of the same questionnaire to Baosteel.

The questionnaire is divided into four sections. Section A requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the sales of the merchandise in all of its markets. Section C requests home market sales listings. Section D requests information on the factors of production of the subject merchandise. Section E requests information on further manufacturing.

On July 1, 6, and 20, 1999, Baosteel submitted its section A response. Baosteel, a producer of subject merchandise, also submitted Section A on behalf of two wholly-owned subsidiaries, Baosteel Group International Trade, Inc. (''Baosteel ITC'') and Baosteel America, Inc. (''BaoMei''). On August 30, 1999, Baosteel submitted its response to sections C, D and E of the questionnaire.

On August 24, 1999, we issued a Section A supplemental questionnaire to Baosteel. On September 10, 1999, we issued Sections C, D, and E supplemental questionnaire to Baosteel. Baosteel submitted its Section A supplemental questionnaire response on September 14, 1999. Baosteel submitted its Sections C, D, and E, supplemental questionnaire response on October 4, 1999.

On September 3, 1999, we requested publicly-available information for valuing the factors of production and for surrogate country selection. Petitioners had already provided comments on surrogate values to be used in this investigation in their petition of June 2, 1999. Respondents provided their

comments on this matter on September 15, 1999.

Petitioners submitted comments regarding Baosteel's questionnaire response on August 25, September 8, 10, and 17, and October 8 and 13, 1999. On October 15, 1999, Baosteel submitted additional information regarding its factors of production. On October 19, 1999, we issued a second supplemental questionnaire requesting clarification of certain items and other additional information. Baosteel submitted its response to this questionnaire on November 9 and 16, 1999.

The Department issued additional supplemental questionnaire on November 1, 5, and 22, 1999. Baosteel responded to these questionnaire on November 16, 30, and December 7, 1999, respectively.

The Department set aside a period for all interested parties to raise issues regarding product coverage. From July through October 1999, the Department received responses from a number of parties including importers, respondents, consumers, and petitioners, aimed at clarifying the scope of the investigation. *See* Memorandum to Joseph A. Spetrini, November 1, 1999 (''*Scope Memorandum*'') for a list of all persons submitting comments and a discussion of all scope comments. There are several scope exclusion requests for products which are currently covered by the scope of this investigation that are still under consideration by the Department. These items are considered to be within the scope for this preliminary determination; however, these requests will be reconsidered for the final determination. *See Scope Memorandum.*

Scope of the Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances, both in coils, 0.5 inch wide or wider, (whether or not in successively superimposed layers and/or otherwise coiled, such as spirally oscillated coils), and also in straight lengths, which, if less than 4.75 mm in thickness having a width that is 0.5 inch or greater and that measures at least 10 times the thickness; or, if of a thickness of 4.75 mm or more, having a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.,* products which have been ''worked after rolling'')for example, products which have been beveled or rounded at the edges.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (''IF'')) steels, high strength low allow (''HSLA'') steels, and motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are rescognized as steels with micro-alloying levels of elements such as chromium, cooper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of this investigation, regardless of definitions in the Harmonized Tariff Schedules of the United States (''HTSUS''), are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight, and; (3) none of the elements listed below exceeds the quantity by weight, respectively indicated:

1.80 percent of manganese, or
2.25 percent of silicon, or
1.00 percent of copper, or
0.50 percent of aluminum, or
1.25 percent of chromium, or
0.30 percent of cobalt, or
0.40 percent of lead, or
1.25 percent of nickel, or
0.30 percent of tungsten, or
0.10 percent of molybdenum, or
0.10 percent of niobium (also called columbium), or
0.15 percent of vanadium, or
0.15 percent of zirconium.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products, by way of example, are outside and/or specifically excluded from the scope of this investigation:

- SAE grades (formerly also called AISI grades) above 2300;
- Ball bearing steels, as defined in the HTSUS;
- Tool steels, as defined in the HTSUS;
- Silico-manganese steel, as defined in the HTSUS;
- Silicon-electrical steels, as defined in the HTSUS, that are grain-oriented;
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level exceeding 2.25 percent;
- All products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507);
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level less than 2.25 percent, and
  (a) fully-processed, with a core loss of less than 0.14 watts/pound per mil (.001 inches), or
  (b) semi-processed, with core loss of less than 0.085 watts/pound per mil (.001 inches);
- Certain shadow mask steel, which is aluminum killed cold-rolled steel coil that is open coil annealed, has an ultra-flat, isotropic surface, and which meets the following characteristics:

  Thickness: 0.001 to 0.010 inches
  Width: 15 to 32 inches

CHEMICAL COMPOSITION

Element	C
Weight %	<0.002

- Certain flapper valve steel, which is hardened and tempered, surface polished, and which meets the following characteristics:

  Thickness: ≤1.0 mm
  Width: ≤152.4 mm

CHEMICAL COMPOSITION

Element	C	Si	Mn	P	S

CHEMICAL COMPOSITION—Continued

Weight %	0.90–1.05	0.15–0.35	0.30–0.50	≤0.03	≤0.006

MECHANICAL PROPERTIES

Tensile Strength	≥162 Kgf/mm^2
Hardness	≥475 Vickers hardness number

PHYSICAL PROPERTIES

Flatness	<0.2% of nominal strip width

Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite.

NON-METALLIC INCLUSION

	Area Percentage
Sulfide Inclusion	≤0.04%
Oxide Inclusion	≤0.05%

Compressive Stress: 10 to 40 Kgf/mm^2

SURFACE ROUGHNESS

Thickness (mm)	Roughness (μm)
t≤0.209	Rz≤0.5
0.209<t≤0.310	Rz≤0.6
0.310<t≤0.440	Rz≤0.7
0.440<t≤0.560	Rz≤0.8
0.560<t	Rz≤1.0

- Certain ultra thin guage steel strip, which meets the following characteristics:
  Thickness: ≤ 0.100 mm ±7%
  Width: 100 to 600 mm

CHEMICAL COMPOSITION

Weight %	≤ 0.07	0.2–0.5	≤ 0.05	≤ 0.05	≤ 0.07	Balance

MECHANICAL PROPERTIES

Hardness	Full Hard (Hv 180 minimum)
Total Elongation	<3%
Tensile Strength	600 to 850 N/mm$_2$

PHYSICAL PROPERTIES

Surface Finish	≤ 0.3 micron
Camber (in 2.0 m)	< 3.0 mm
Flatness (in 2.0 m)	≤ 0.5 mm
Edge Burr	< 0.01 mm greater than thickness
Coil Set (in 1.0 m)	< 75.0 mm

- Certain silicon steel, which meets the following characteristics:
  Thickness: 0.024 inches +/-.0015 inches
  Width: 33 to 45.5 inches

CHEMICAL COMPOSITION

Element	C	Mn	P	S	Si	Al
Min. Weight %				0.65		
Max. Weight %	0.004	0.4	0.09	0.009		0.4

MECHANICAL PROPERTIES

Hardness	B 60–75 (AIM 65)

PHYSICAL PROPERTIES

Finish	Smooth (30–60 microinches)
Gamma Crown (in 5 inches)	0.0005 inches, start measuring ¼ inch from slit edge
Flatness	20I–UNIT max
Coating	C3A–08A max (A2 coating acceptable)
Camber (in any 10 feet)	1/16 inch
Coil Size I.D.	20 inches

MAGNETIC PROPERTIES

Core Loss (1.5T/60 Hz) NAAS	3.8 Watts/Pound max
Permeability (1.5T/60 Hz) NAAS	1700 gauss/oersted typical 1500 minimum

• Certain aperture mask steel, which has an ultra-flat surface flatness and which meets the followingcharacteristics:

Thickness: 0.025 to 0.245 mm

Width: 381–1000 mm

CHEMICAL COMPOSITION

Element	C	N	Al
Weight %	<0.01	0.004 to 0.007	<0.007

• Certain tin mill black plate, annealed and temper-rolled, continuously cast, which meets the following characteristics:

CHEMICAL COMPOSITION

Element	C	Mn	P	S	Si	Al	As	Cu	B	N
Min. Weight %	0.02	0.20				0.03				0.003
Max. Weight %	0.06	0.40	0.02	0.023 (Aiming 0.018 Max.)	0.03	0.08 (Aiming 0.05)	0.02	0.08		0.008 (Aiming 0.005)

Non-metallic Inclusions: Examination with the S.E.M. shall not reveal individual oxides >1 micro (0.000039 inches) and inclusion groups or clusters shall not exceed 5 microns (0.000197 inches) in length.

Surface Treatment as follows:

The surface finish shall be free of defects (digs, scratches, pits, gouges, slivers, etc.) and suitable for nickel plating.

SURFACE FINISH

	Roughness, RA Microinches (Micrometers)		
	Aim	Min.	Max.
Extra Bright	5 (0.1)	0 (0)	7 (0.2)

• Certain full hard tin mill black plate, continuously cast which meets the following characteristics:

CHEMICAL COMPOSITION

Element	C	Mn	P	S	Si	A1	As	Cu	B	N
Min.Weight %	0.02	0.02				0.03				0.003
Max. Weight %	0.06	0.40	0.02	0.023 (Aiming 0.018 Max.)	0.03	0.08 (Aiming 0.05)	0.02	0.08		0.008 (Aiming 0.005)

Non-metallic Inclusions: Examination with the S.E.M. shall not reveal individual oxides > 1 micron (0.00039 inches) and inclusion groups or clusters shall not exceed 5 microns (0.00197 inches) in length.

Surface Treatment as follows:

The surface finish shall be free of defects (digs, scratches, pits, gouges, slivers, etc.) and suitable for nickel plating.

SURFACE FINISH

	Roughness, RA Microinches (Micrometers)		
	Aim	Min.	Max.
Stone Finish	16 (0.4)	8 (0.2)	24 (0.6)

- Certain ''blued steel'' coil (also know as ''steamed blue steel'' or ''blue oxide'') with a thickness and size of 0.38 mm x 940 mm x coil, with a bright finish;
- Certain cold-rolled steel sheet, which meets the following characteristics:
  Thickness (nominal): ≤ 0.019 inches
  Width: 35 to 60 inches

CHEMICAL COMPOSITION

Element	C	O	B
Max. Weight %	0.004		
Min. Weight %	.....	0.010	0.012

- Certain band saw steel, which meets the following characteristics:
  Thickness: ≤ 1.31 mm
  Width: ≤ 80 mm

CHEMICAL COMPOSITION

Element	C	Si	Mn	P	S	Cr	Ni
Weight %	1.2 to 1.3	0.15 to 0.35	0.20 to 0.35	≤0.03	≤0.007	0.3 to 0.5	≤0.25

Other properties:

Carbide: fully spheroidized having >80% of carbides, which are ≤0.003 mm and uniformed dispersed

Surface finish: bright finish free from pits, scratches, rust, cracks, or seams

Smooth edges

Edge camber (in each 300 mm of length): ≤7 mm arc height

Cross bow (per inch of width): 0.015 mm max.

The merchandise subject to this investigation is typically classified in the HTSUS at subheading: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16,0090, 7209.17.0030, 7209.17.0060, 7209.17.0090, 7209.18.1530, 7209.18.1560, 7209.18.2550, 7209.18.6000. 7209.25.0000, 7209.26.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7210.90.9000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7225.19.0000, 7225.50.6000, 7225.50.7000, 7225.50.8010, 7225.50.8085, 7225.99.0090, 7226.19.1000, 7226.19.9000, 7226.92.5000, 7226.92.7050, and 7226.99.0000.

Although the HTSUS subheading are provided for convenience and U.S. Customs Service (''U.S. Customs'') purposes, the written description of the merchandise under investigation is dispositive.

Period of Investigation

The period of investigation (''POT'') is October 1, 1998, through March 31, 1999.

Non-Market-Economy Country Status

The Department has treated the PRC as a nonmarket economy (''NME'') country 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''*)). A designation as an NME remains in effect until it is revoked by the Department (*See* section 771(18)(C) of the Act). The respondents have not challenged such treatment. Therefore, in accordance with section 771(18)(C) of the Act, we will continue to treat the PRC as an NME country.

Surrogate Country

When investigating imports from an NME country, section 773(c)(1) of the Act directs the Department in most circumstances to base normal value (''NV'') on the NME producer's factors of production, valued in a surrogate market economy country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4), the Department, in valuing the factors of production, shall utilize, to the extent possible, the prices or costs of factors of production in one or more market economy countries that are comparable in terms of economic development to the NME country and are significant producers of comparable merchandise. The sources of the surrogate factor values are discussed under the NV section below.

The Department has determined that India, Pakistan, Sri Lanka, Egypt, Indonesia, and the Philippines are countries comparable to the PRC in terms of economic development. *See* Memorandum from Jeff May to Edward Yang, dated June 24, 1999. Customarily, we select an appropriate surrogate based on the availability and reliability of data from these countries. For PRC cases, the primary surrogate has usually been India if it is a significant producer of comparable merchandise. In this case, we have found that India as well as Indonesia are significant producers of comparable merchandise.

We used India as the primary surrogate country and, accordingly, we have calculated NV using Indian prices to value the PRC producer's factors of production, when available and appropriate. *See* Surrogate Country Selection Memorandum to The File from James Doyle, Program Manager, dated December 28, 1999, (*''Surrogate Country Memorandum''*). We have obtained and relied upon publicly-available information wherever possible. For certain factors, we were unable to locate an appropriate surrogate value from any of the

comparable countries identified above. Therefore, we selected a U.S. value as the most appropriate surrogate. *See* Factor Valuation Memorandum to The File from Gideon Katz and Karla Whalen, dated December 28, 1999, (*''Valuation Memorandum''*).

Separate Rates

Baosteel has requested a separate company-specific rate. In its questionnaire response, Baosteel states that it is an independent legal entity. Baosteel reports that it is an independent trading company ''owned by all the people'' and is solely responsible for its profits and losses. Baosteel further claims that it does not have any corporate relationship with any level of the PRC Government, except for its mandatory registration with the government, which is required of all business entities. As stated in *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''*) and *Final Determination of Sales at Less-Than-Fair-Value: Furfuryl Alcohol* 60 FR 22545 (May 8, 1995) (*''Furfuryl Alcohol''*), ownership of a company by ''all the people'' does not require the application of a single rate. Accordingly, Baosteel is eligible for consideration for a separate rate.

The Department's separate rate test is not concerned, in general, with macroeconomic/border-type controls (*e.g.,* export licenses, quotas, and minimum export prices), particularly if these controls are imposed to prevent dumping. Rather, the test focuses 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) (*''Honey''*).

To establish whether a firm is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity under the test established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China:* 56 FR 20588 (May 6, 1991) (*''Sparklers''*) and amplified in *Silicon Carbide*. Under this test, the Department assigns separate rates in NME cases only if an exporter can affirmatively demonstrate the absence of both (1) *de jure* and (2) *de facto* governmental control over export activities. *See Silicon Carbide* and *Furfuryl Alcohol.*

1. Absence of De Jure Control

Baosteel has placed on the administrative record two documents to demonstrate absence of *de jure* control. The first document, titled ''Law of the People's Republic of China on Industrial Enterprises Owned By the Whole People,'' was adopted on April 13, 1988. (''The Industrial Enterprises Law''). The Industrial Enterprises Law provides that enterprises owned by ''the whole people'' shall make their own management decisions, be responsible for their own profits and losses, choose their own suppliers, and purchase their own goods and materials. This law has been analyzed by the Department in past cases and has been found to sufficiently establish an absence of *de jure* control of companies ''owned by the whole people,'' such as Baosteel. *See Notice of Final Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Partial-Extension Steel Drawer Slides with Rollers from the People's Republic of China,* 60 FR 54472, 55474 (October 24, 1995); *Honey,* 60 FR at 14726; and *Furfuryl Alcohol,* 60 FR at 22544.

The second document submitted by Baosteel consists of excerpts from ''Regulations for Transformation of Operational Mechanism of State-Owned Industrial Enterprises'' (*''Regulations''*), issued on December 31, 1992, by the Ministry of Foreign Economic Relations and Trade of the People's Republic of China. These Regulations gave state-owned enterprises the right to establish ''production, management, and operational policies,'' and the right to set prices, sell products, purchase production inputs, make investment decisions, and dispose of profits and assets. These rights apply specifically to an enterprise's import and export activities (Article XII). The Department determined in the past that the existence of these Regulations supports finding that a PRC company is not subject to *de jure* governmental control. *See Notice of Final Determination of Sales at Less Than Fair Value: Manganese Metal from the People's Republic of China,* 60 FR 56045 (November 6, 1995) and *Chrome-Plated Lug Nuts from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review,* 63 FR 31719 (June 10, 1998).

In sum, in prior cases, the Department has analyzed the Chinese laws and Regulations placed on the record in this case, and found that they establish an absence of *de jure* control. We have no new information in this proceeding which would cause us to reconsider such a determination.

2. Absence of De Facto Control

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 are 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 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, e.g., Silicon Carbide* and *Furfuryl Alcohol.*

Baosteel asserted the following: (1) It establishes its own export prices independently of the government and without the approval of a government authority; (2) it negotiates contracts, without guidance from any governmental entities or organizations; (3) it makes its own personnel decisions including the selection of management; and (4) it retains the proceeds of its export sales, uses profits according to its business needs, and has the authority to obtain loans. We have found no indication from Baosteel's business licenses that the issuing authority imposes any type of restriction on its business. The business license simply establishes a legal name for the enterprise, provides the address of the enterprise, identifies the legal representative of the enterprise, reports the amount of registered capital of the enterprise, identifies the type of the enterprise, and establishes the authorized scope of business for the enterprise. In addition, Baosteel stated that the subject merchandise is not on any government list dealing with export provisions or licensing.

Consequently, we preliminarily determine that Baosteel has met the criteria for the application of separate rates. We will examine this matter further at verification. For non-responsive exporters, we preliminarily determine, as facts available, that they have not met the criteria for application of separate rates.

Use of Facts Available

Baosteel

In calculating the factors of production, the Department normally considers the factors from all production facilities of the respondent company that are involved in the production of the subject merchandise. Therefore, the Department's questionnaire requires that the respondent company provide information regarding the weighted-average factors of production across all of the company's plants that produce the subject merchandise, not just the factors of production from a single plant. This methodology ensures that the Department's calculations are as accurate as possible.

In this case, as discussed in the Case History section, above, the Department issued several questionnaires to Baosteel. In response to the Department's inquiry into Baosteel's affiliates and factors of production, Baosteel indicated that ''Baosteel's wholly-owned subsidiaries, Baosteel Group International Trade Inc. (''Baosteel ITC'') and Baosteel America Inc. (''BaoMei''), are involved in the exportation of the subject merchandise.'' Baosteel stated that of all the subsidiaries listed in an exhibit to its section A response, ''no other subsidiaries involved [sic] in the manufacture, sales or research of the subject merchandise, except for Baosteel ITC and BaoMei. These two companies are involved in sales of the product * * *'' Baosteel further asserted in its section A supplemental response that ''[t]here is no other manufacturing plant, sales office, research and development facility, and administrative office involved in the manufacture and sale of the subject merchandise other than Baosteel ITC, Bao Mei and Baosteel headquarter's [sic] steel mill. Baosteel headquarter's [sic] steel mill manufactures the subject merchandise, Baosteel ITC handles all internal processing, arranges for shipments, and negotiates Letters of Credit; and Bao Mei acts as the sales office in the U.S.A.'' In response to the Department's supplemental questions requesting a list of all plants, offices, facilities, branches and affiliates involved in the manufacture and sale of subject merchandise, Baosteel stated that ''* * * Baosteel ITC and Bao Mei are wholly owned subsidiaries of Baosteel and sold the subject merchandise under investigation.'' Baosteel further asserted that ''[o]nly Baosteel's headquarter[s] plant produced the subject merchandise during the POI. No other plant was involved in the production of the subject merchandise. Baosteel, as requested, reported the factors of production and output of the plant which produced the subject merchandise.''

We find that Baosteel's responses that only its headquarters plant produces subject merchandise do not correspond with the public and proprietary information available on the record. *See* Memorandum to the File from Juanita Chen regarding public articles, dated October 26, 1999 (*''Public Sources Memorandum''*). According to public information, on November 17, 1998, Baoshan Iron & Steel (Group) Corporation was reorganized into Shanghai Baosteel Group Corporation, absorbing Shanghai Metallurgical Holding (Group) Corporation (''SMHC'') and Meishan Iron & Steel (Group) Corporation. SMHC comprises ten steel mills and a total of 30 plants, including Shanghai Nos 1, 3, 5 and 10 steel works. The International Iron and Steel Institute lists SMHC's crude steel output for 1998 at 6.6 million tons. It is also clear that Shanghai Pudong Iron & Steel (Group) Co. Ltd. (''Pudong''), formerly known as Shanghai No. 3 Iron & Steel Works, is a producer of carbon steel cold-rolled sheets. *See Iron and Steel Works of the World,* Volume 13, page 82. In addition to this information, Baosteel's own website states that:

> . . . with the approval of the State Council and by changing its registered company name, the former Baoshan Iron & Steel (Group) Corporation was reorganized into Shanghai Baosteel Group Corporation, absorbing Shanghai Metallurgical Holding (Group) Corporation (''SMHC'') and Meishan Iron & Steel (Group) (''Meishan'') Corporation on November 17, 1998. With RMB 45.8 billion yuan in registered funds and RMB 70.466 billion yuan in net assets, the newly established corporation is the largest iron and steel conglomerate in China at present. *See http://www.bstl.sh.cn/page__e/a001.htm* (visited December 20, 1999).

The Department also notes that, subsequent to the Department's further inquiries, Baosteel edited the information it provided in its response concerning its list of affiliates. Specifically, in its November 9, 1999, supplemental response, Baosteel excluded certain companies previously submitted as subsidiaries in its September 14, 1999, Section A supplemental response, including Baosteel Shanghai Pu Steel Mill, Baosteel Group Shanghai Numbers, One, Two, Three, and Five Steel Mills, and Baosteel Group Shanghai Mei Shan Company, Ltd.

Additionally, there is some evidence indicating that Wuhan Iron and Steel Works (''Wuhan''), a producer of carbon steel cold-rolled uncoated sheet/coil, may have also merged with Baosteel in 1998. *See Public Sources Memorandum.* We note, however, that Baosteel's responses fail to provide any factors of production information from either the Pudong or the Wuhan facilities, despite the Department's specific requests in its supplemental questionnaires.

Section 776(a)(2)(A) of the Act provides that, if an interested party withholds information that has been requested by the administering authority, the Department shall, subject to section 782(d), apply facts otherwise available. In this case, as described above, the publicly-available information indicates that, in addition to the Baosteel headquarters plant, there exist other Baosteel facilities that produce cold-rolled, flat-rolled carbon quality steel. Accordingly, in light of the evidence that both Pudong and Wuhan produced subject merchandise during the POI, and that Baosteel merged with Pudong and may have merged with Wuhan, the Department is concerned that Baosteel did not provide any information concerning these facilities. As explained above, to properly conduct this investigation, it is essential that the Department has at its disposal information regarding the weighted-average factors of production across all of a company's plants that produce subject merchandise, not just the factors of production from a single plant. Using factors of production for only one company plant may distort the actual factors of production for the entire company.

In response to the Department's questions on this issue, Baosteel's December 7, 1999 supplemental questionnaire response on page two asserted that ''The Department should note that the merger plan was announced on November 17, 1998, but, the registration did not occur until August 1999.'' Baosteel's focus on registration of the merger leads to its conclusion on page three that ''It is Baosteel's position that Pudong did not legally merge with Baosteel until August 10, 1999, that is, well after the POI.'' In addition to taking issue with the timing of the merger, Baosteel also challenged its relevance by contending that the companies with which it merged do not produce the merchandise under investigation, and therefore the provision of factors is unnecessary. Specifically, Baosteel's December 7, 1999, supplemental questionnaire response on page three notes that ''Pudong has previously certified that it did not produce the subject merchandise during the POI, and does not produce this subject merchandise.''

In addition, Baosteel provided a certification in Exhibit S5–3, stamped by Shanghai Pusteel (Group) Company Ltd. which it translated as follows: ''This is to certify that we do not produce the cold-rolled carbon type steel products.''

Regarding the timing of the merger, the Department first notes that Baosteel's responses have evolved, from first listing the merged entities among Baosteel's subsidiaries, to the most recent focus on registration of the merged entity as the critical event. In addition, these evolved statements remain at variance with several public documents, in particular public statements originating from Baosteel itself. The Department finds, based on the evidence as a whole, that it is appropriate to treat the companies as having merged during the POI. Baosteel has failed to adequately support its argument that registration is the critical merger event because it did not adequately explain the merger process. Specifically, Question 4 of the Department's November 22, 1999, supplemental questionnaire requested Baosteel to ''provide a complete explanation of the actual merger process'' and to ''clearly identify all legal documentation and proceedings which must occur for the merger to be officially legal according to Baosteel.'' Also, the Department requested Baosteel to ''detail the timing of each event.'' Instead, Baosteel focused almost exclusively on registration, providing no useful information regarding the process as a whole, despite repeated attempts by the Department to get this information on the record (*see* October 19 and November 5, 1999, supplemental questionnaires). As a result, Baosteel has prevented the Department from fully understanding the merger process as a whole so that we could assess the function and effect of registration. Absent such information, the Department finds no basis to disregard the company's public statements which indicate that the mergers were completed during the POI.

Baosteel's insistence that none of the merged entities produced subject merchandise is similarly unpersuasive. In its November 30, 1999 supplemental questionnaire, the Department explicitly stated that Baosteel should report factors of production for Pudong ''if Pudong manufactures and merchandise which falls within the scope of the investigation.'' Thus, production of the subject merchandise was the sole criterion for reporting factors of production. However, Baosteel's response indicates that it added an additional criterion for determining whether to report factors of production, *i.e.*, whether an affiliated producer exported subject merchandise to the United Stated during the POI. Therefore, Baosteel's responses have not answered the specific question whether any of the merged facilities manufacture the products described in the Scope of the Investigation section above.

Further, while Pudong's certification appears to have been written in response to a request from Baosteel regarding specific parameters, those parameters were not provided to the Department. Because the Department does not know the set of products to which Pudong is certifying, the certification's analytical usefulness is limited, especially since it directly contradicts recent sources of information such as *Iron and Steel Works of the World,* Volume 13 (1999), page 82, which clearly lists Shanghai Pudong as a 1999 producer of carbon steel cold-rolled sheets.

Thus, given that Baosteel appears to have withheld this information despite the Department's requests, pursuant to section 776(a)(2)(A), we preliminarily determine that the application of facts otherwise available is warranted.

Section 776(b) of the Act provides that, if an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information, the Department may, in selecting the facts otherwise available, use an inference that is adverse to the interests of that party. In this case, we find that although Baosteel provided the Department with information regarding its headquarters plant, Baosteel has not cooperated to the best of its ability because it failed to fully support the information it submitted and provided conflicting information on the record regarding this issue.

Accordingly, we are applying adverse partial facts available to account for the portion of the overall Baosteel Group's margin which might be attributed to SMHC. Given that the public information is not conclusive with regard to Wuhan, we have not included this plant in our partial facts available calculation. We used the relation between the steelmaking capacity of the Baosteel headquarters plant and the capacity of SMHC to weight-average the calculated and partial facts available margin to arrive at an overall margin. We weight-averaged the margin calculated for Baosteel's headquarters plant with the highest petition margin, 23.72% (to account for SMHC), to arrive at the preliminary margin. *See Public Sources Memorandum.* We note, however, that we issued an additional supplemental questionnaire on this topic and therefore, intend to examine this issue in more detail for the final determination.

PRC-Wide Rate

Information on the record of this investigation indicates that there may be producers/exporters of the subject merchandise in the PRC, in addition to the company participating in this investigation, as noted in the petition and confirmed by the Department's own analysis of the import statistics in comparison to Baosteel's reported U.S. sales. Also, U.S. import statistics indicate that the total quantity of U.S. imports of cold-rolled steel from the PRC is greater than the total quantity of cold-rolled steel exported to the U.S. as reported by Baosteel. *See* Corroboration Memorandum to Edward Yang, Office Director from Robert Bolling and Karla Whalen, dated December 28, 1999 (*''Corroboration Memorandum''*). Given this discrepancy, it appears that not all PRC exporters of cold-rolled steel responded to our questionnaire. Accordingly, we are applying a single antidumping deposit rate—the PRC-wide rate—to all exporters in the PRC, other than Baosteel, as specifically identified below under the ''Suspension of Liquidation'' section of this notice, 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., Final Determination of Sales at Less-Than-Fair-Value: Bicycles from the People's Republic of China,* 61 FR 19026 (April 30, 1996) (*''Bicycles''*).

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 or the Commission under this title, (B) fails to provide such information by the deadlines for 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 and the Commission shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title.

In this case, we found that there are PRC producers/exporters who failed to respond to our questionnaire, thereby withholding information necessary for reaching the applicable determination within the meaning of section 776(a)(2)(A) of the Act. Moreover, by

refusing to respond to the Department's questionnaire, these producers/exporters significantly impeded this investigation within the meaning of section 776(a)(2)(C) of the Act. Thus, in making our preliminary determination, we are required to use facts otherwise available.

In addition, section 776(b) of the Act provides that, if the Department finds that an interested party ''failed to cooperate by not acting to the best of its ability to comply with a request for information,'' the Department may use information that is adverse to the interest of that party as the facts otherwise available. The exporters that decided not to respond in any form to the Department's questionnaire failed to act to the best of their ability in this investigation. Thus, the Department has determined that, in selecting from among the facts otherwise available, an adverse inference is warranted. As adverse facts available, we are assigning the highest margin in the petition, 23.72 percent, which is higher than the calculated margin. Further, absent a response, we must presume government control of these and all other PRC companies for which we cannot make a separate rate determination.

Section 776(c) of the Act provides that, when the Department relies upon ''secondary information'' in using facts otherwise available, such as the petition rates, 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. 103–316 (1994) (''SAA''), states that ''corroborate'' means to determine that the information used has probative value. *See* SAA at 870.

The petitioner's methodology for calculating export price (''EP'') and NV is discussed in the *Notice of Initiation.* The information contained in the petition demonstrates that petitioners calculated EP based on average unit values (''AUVs''), which rely, in turn, on U.S. import statistics. Petitioners used POI data for HTSUS numbers 7209.16.00.90 and 7209.17.00.90. The AUVs were calculated by dividing the free-along-side values by net tons. Petitioners made no deductions from these calculated AUVs. The information in the petition with respect to NV is based on factors of production for one petitioner through the hot-rolled production stage, and on another petitioner's factors of production for the additional processing stages necessary to produce cold-rolled steel. Petitioners valued the factors of production, where possible, based on reasonably available, public surrogate country data. Petitioners used India as their surrogate country for valuation of the factors of production.

To corroborate the margins we are using as adverse facts available, we re-examined evidence supporting the petition calculation. In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the U.S. price and NV calculations on which the petition margin was based and compared the sources used in the petition to publicly-available information, where available. We compared petitioner factor usage data to the actual factor usage data of Baosteel for the most significant factor inputs, and we find this information to be sufficiently corroborated as defined in the statute. Furthermore, because the other information in the petition is from public sources contemporaneous with the POI, we find, for the purpose of the preliminary determination, that the margins in the petition are sufficiently corroborated. *See Corroboration Memorandum.*

Fair Value Comparisons

To determine whether sales of cold-rolled carbon steel from the PRC to the United States were made at LTFV, we compared the EP to the NV, as specified in the ''Export Price'' and ''Normal Value'' sections of this notice.

Export Price

In accordance with section 772(a) of the Act, we used EP because the subject merchandise was sold directly to unaffiliated customers in the United States prior to importation and because constructed export price methodology was not otherwise indicated. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI-wide weighted-average EPs to the NVs. *See Valuation Memorandum.* We calculated EP based on prices to unaffiliated purchasers in the United States. We made deductions, where appropriate, for loading labor.

Normal Value

In accordance with section 773(c) of the Act, we calculated NV based on the value of the factors of production reported by Baosteel. We used factors of production, reported by Baosteel, for materials, energy, labor, by-products, and packing. We made adjustments to the usage rates for these factors as noted below. In accordance with our standard practice, where an input is sourced from a market economy and paid for in market economy currency, the Department employs the actual price paid for the input to calculate the factors-based NV. *See Lasko Metal Products* v. *United States,* 437 F. 3d 1442 (Fed. Cir. 1994) (''*Lasko*''). Baosteel reported that some of its inputs were sourced from market economies and paid for in market economy currency. However, we determined not to use the prices reported by Baosteel for coking coal because the purchase was insignificant in comparison to the domestic purchases. Therefore, we disregarded Baosteel's coking coal information and instead used publicly-available information from India. *See Valuation Memorandum.*

Baosteel identified a number of by-products which it claimed are recycled in the production process and/or sold. However, the response was unclear as to how much of these various inputs are entered into the production process or sold. Therefore, the Department has only offset the cost of production by the amount of a by-product where Baosteel's response indicated that it was sold and not re-entered into the production process. We intend to examine this issue more closely at verification. *See Valuation Memorandum.*

Finally, we made an adjustment to the reported energy usage factor. Because we could not clearly determine what portion of the self-produced energy factor went into direct steelmaking, we have estimated this usage rate based on an Indian steel producer's self-produced energy costs.

Factor Valuations

The selection of the surrogate values was based on the quality and contemporaneity of the data. Where possible, we attempted to value material inputs on the basis of tax-exclusive domestic prices. We used import prices to value factors. We removed from the imports data import prices from countries which the Department has previously determined to be NMEs. For those values not contemporaneous with the POL, we adjusted for inflation using wholesale price indices (''WPI''), published in the International Monetary Fund's International Financial Statistics. For a complete analysis of surrogate values, see *Valuation Memorandum.*

For most raw material and energy surrogate values, we used values as reported in the *Monthly Statistics of Foreign Trade of India,* Vol. II—Imports, Directorate General of Commercial Intelligence & Statistics, Ministry of Commerce, Government of India, Calcutta. The price information from *Monthly Statistics of Foreign Trade of India* represents cumulative values for the period of April 1997 through March

1998. For each input value obtained from the above referenced publication, we used the average value per kilogram for that input from market economics. Import statistics from NMEs were excluded in the calculation of the average value. Given that the data from this publication is not contemporaneous with the POI, we adjusted material values for inflation by using the WPI rate for India. We then converted each of the raw material inputs to U.S. dollars using an exchange rate conversion factor.

For certain other factors, we used values as reported in the *United Nations Commodity Trade Statistics* for India in 1997. We converted these values as appropriate. *See Valuation Memorandum.*

The Department determined that the only surrogate value for slag from India was unreliable. According to *New Steel,* February 1997, pages 24 and 44, slag has a relatively low value compared to the price of steel. Because the Indian value for slag was unusually high compared to the price of the subject merchandise, the Department has preliminarily used values for slag from the *U.S. Geological Survey, Minerals, Commodities Summaries* from 1998.

Baosteel reported that three types of iron ore were purchased from market economy suppliers, namely, iron ore fines, iron ore lumps, and iron ore pellets. The evidence provided by Baosteel indicated that its market economy purchases of iron ore were significant. *See* Section B of the October 4, 1999 submission, Exhibit SD–5. The Department has determined to use the FOB Baosteel prices as reported, in accordance with *Lasko.* However, for that portion of the three iron-ore type shipments which were unloaded at an intermediary port, we have added an unloading and a loading expense, as well as Indian surrogate river transport freight expense, given that the data indicates that the prices reported did not account for these additional expenses. We based the freight expense on the simple average of three surrogate values provided by Baosteel. We then added the freight and shipment expenses to a weighted-average FOB Baosteel price to account for materials delivered at an intermediary port. Finally, we weight-averaged the total value of the iron ore delivered directly to Baosteel with the total value of the iron ore unloaded at an intermediately port to derive a final market-based iron ore price per category of iron ore reported. For the ''other'' iron ore input category reported by Baosteel, we used a surrogate value as reported in the *United Nations Commodity Trade Statistics* for India in 1997 because this was not purchased via market economy sources. We have also added a proportional unloading and loading charge and transportation cost as appropriate using the above methodology. *See Valuation Memorandum.*

For labor, we used the Chinese regression-based wage rate at Import Administration's homepage, Import Library, Expected Wages of Selected NMW Countries, revised in May 1999. Because of the variability of wage rates in countries with similar per capita gross domestic prices, section 351.408(c)(3) of the Department's regulations requires us to use a regression-based wage-rate. The source of this wage-rate data on Import Administration's homepage is found in the 1998 Year Book of Labour Statistics, International Labour Office (Geneva: 1998), Chapter 5B: Wages in Manufacturing.

For overhead, profit and SG&A expenses, we used averaged information reported in publicly available financial reports to two Indian steel producers.

Verification

As provided in section 782(i) of the Act, we will verify the information used in making our final determination.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the U.S. Customs to suspend liquidation of all imports of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register.** We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the export price, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Manufacturer/exporter	Weighted-average margin (percent)
Shanghai Baosteel Group Corporation (including Baosteel Group International Trade, Inc.)	8.84
China-wide Rate*	23.72

*The China-wide rate applies to all entries of the 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 the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation, of the subject merchandise.

Postponement of Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On November 8, 1999, Baosteel 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**. Baosteel also included a request to extend the provisional measures to not more than six months. Accordingly, since we have made an affirmative preliminary determination, we have postponed the final determination until not later than 135 days after the date of the publication of the preliminary determination.

Public Comment

Case briefs for this investigation must be submitted no later than one week after the issuance of the verification reports. Rebuttal briefs must be filed within five 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, DC 20230. In the event that the Department receives requests for hearings from parties to several cold-rolled 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 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 this investigation proceeds normally, we will make our final determination no later than 135 days after the date of publication of this preliminary determination.

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

Dated: December 28, 1999.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00–300 Filed 1–6–00; 8:45 am]

BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

International Trade Administration

[A–489–808]

Notice of Preliminary Determinations of Sales at Less Than Fair Value; Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from Turkey

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

EFFECTIVE DATE: January 7, 2000.

FOR FURTHER INFORMATION CONTACT: Charles Ranado, Stephanie Arthur or Robert James at (202) 482–3518, (202) 482–6312 or (202) 482–5222, respectively; Antidumping and Countervailing Duty Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Tariff Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 351 (April 1, 1999).

Preliminary Determinations

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

Case History

On June 21, 1999, the Department initiated antidumping duty investigations of imports of cold-rolled steel products from Argentina, Brazil, the People's Republic of China, Indonesia, Japan, the Russian Federation, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela. See Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from Argentina, Brazil, the People's Republic of China, Indonesia, Japan, the Russian Federation, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela, 164 FR 34194 (June 25, 1999) (Initiation Notice). Since the initiation of the investigations, the following events have occurred:

The Department set aside a period for all interested parties to raise issues regarding product coverage. From July through October 1999, the Department received responses from a number of parties including importers, respondents, consumers, and petitioners [1], aimed at clarifying the scope of the investigation. See Memorandum to Joseph A. Spetrini, November 1, 1999 (Scope Memorandum) for a list of all persons submitting comments and a discussion of all scope comments. There are several scope exclusion requests for products which are currently covered by the scope of this investigation that are still under consideration by the Department. These items are considered to be within the scope for this preliminary determination; however, these requests will be reconsidered for the final determination. See Scope Memorandum.

On June 22, 1999, the Department requested information from the U.S. Embassy in Turkey to identify producers/exporters of the subject merchandise. On June 21, 1999, the Department also requested comments from petitioners, two potential respondents, Eregli Demir ve Çelik Fabrikalari T.A.Ş''. (Erdemir) and Borçelik Çelik Sanayii ve Ticaret A.S. (Borcelik), and the Embassy of Turkey in Washington regarding the criteria to be used for model matching purposes. On July 26, 1999, Borcelik submitted comments on our proposed model-matching criteria. Petitioners filed additional model match comments on June 28, 1999.

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

The Department issued antidumping questionnaires to Erdemir and Borcelik on June 22, 1999 (Section A) and July 9, 1999 (Sections B through D). The questionnaire is divided into five parts; we requested that Erdemir and Borcelik respond to Section A (general information, corporate structure, sales practices, and merchandise produced), Section B (home market or third-country sales), Section C (U.S. sales), and Section D (cost of production/constructed value for high inflation economies). In addition, we required respondents to respond to additional questions based on our determination that the Turkish economy underwent high inflation during the POI.[2]

[1] Petitioners in this case are Bethlehem Steel Corporation, Gulf States Steel, Inc., Ispat Inland Inc., LTV Steel Company Inc., National Steel Company, Steel Dynamics, Inc., U.S. Steel Group, a unit of USX Corporation, Weirton Steel Corporation, United Steelworkers of America, and Independent Steelworkers Union (collectively, petitioners).

[2] Based on our analysis of Turkey's consumer price and wholesale price indices, we determined that the Turkish economy was experiencing high inflation during the POI (see 1999 issues of the International Monetary Fund's International Financial Statistics). ''High inflation'' is a term used to refer to a high rate of increase in price levels. Investigations and reviews involving exports from countries with highly inflationary economies require special methodologies for comparing prices and calculating CV and COP. Generally, a 25 percent inflation rate has been used as a guide for assessing the impact of inflation on AD

Continued