Ms. Lee Ann Carpenter, TAC Unit/OAS/EA MS: 3886C, Bureau of Export Administration, U.S. Department of Commerce, Washington, D.C. 20230.

The Assistant Secretary for Administration, with the concurrence of the delegate of the General Counsel, formally determined on December 2, 1996, pursuant to Section 10(d) of the Federal Advisory Committee Act, as amended, that the series of meetings or portions of meetings of the Committee and of any Subcommittees thereof, dealing with the classified materials listed in 5 U.S.C. 552b(c)(1) shall be exempt from the provisions relating to public meetings found in section 10 (a)(1) and (a)(3), of the Federal Advisory Committee Act. The remaining series of meetings or portions thereof will be open to the public. A copy of the Notice of Determination to close meetings or portions of meetings of the Committee is available for public inspection and copying in the Central Reference and Records Inspection Facility, Room 6020, U.S. Department of Commerce, Washington, D.C. For further information, call Lee Ann Carpenter at (202) 482–2583.

Dated: July 2, 1997.

Lee Ann Carpenter,

Director, Technical Advisory Committee Unit.

[FR Doc. 97–17865 Filed 7–8–97; 8:45 am]

BILLING CODE 3510–DT–M

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–809]

Preliminary Results of Antidumping Duty Administrative Review: Circular Welded Non-Alloy Steel Pipe From the Republic of Korea

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

ACTION: Preliminary results of antidumping duty administrative review: circular welded non-alloy steel pipe from the Republic of Korea.

SUMMARY: In response to requests from interested parties, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on circular welded non-alloy steel pipe from the Republic of Korea. The review covers five manufacturers/exporters: Dongbu Steel Co., Ltd. (Dongbu), Korea Iron Steel Company (KISCO), Korea Steel Pipe Co., Ltd. (KSP), Pusan Steel Pipe Co., Ltd. (PSP), and Union Steel Co., Ltd. (Union). The period of review (the POR) is April 28, 1992, through October 31, 1993.

We have preliminarily determined that sales have been made below foreign market value (FMV) by various companies subject to this review. If these preliminary results are adopted in our final results of this administrative review, we will instruct U.S. Customs to assess antidumping duties equal to the difference between the purchase price (PP) or exporter's sales price (ESP) and the FMV.

We invite interested parties to comment on these preliminary results. Parties who submit comments in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: July 9, 1997.

FOR FURTHER INFORMATION CONTACT: Michael Panfeld, Mark Ross, Thomas Schauer, or Richard Rimlinger, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–4733; facsimile: (202) 482–1290.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions in effect as of December 31, 1994. In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, as codified at 19 CFR part 353 (April 1, 1996).

Background

On November 2, 1992, the Department published in the **Federal Register** (57 FR 49,453) the antidumping duty order on circular welded non-alloy steel pipe from the Republic of Korea. On December 17, 1993, in accordance with 19 CFR 353.22(c), we initiated an administrative review of this order for the period April 28, 1992, through October 31, 1993 (58 FR 65,964). The Department is now conducting this administrative review in accordance with section 751 of the Act.

Scope of Review

The merchandise subject to this review is circular welded non-alloy steel pipes and tubes, of circular cross-section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing, and for protection of electrical wiring, such as conduit shells.

The scope is not limited to standard pipe and fence tubing or those types of mechanical and structural pipe that are used in standard pipe applications. All carbon steel pipes and tubes within the physical description outlined above are included within the scope of this review, except line pipe, oil-country tubular goods, boiler tubing, cold-drawn or cold-rolled mechanical tubing, pipe and tube hollows for redraws, finished scaffolding, and finished rigid conduit. Standard pipe that is dual or triple certified/stenciled that enters the United States as line pipe of a kind used for oil or gas pipelines is also not included in this review.

Imports of these products are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Product Comparisons

We calculated transaction-specific U.S. prices (USPs) for comparison to either weighted-average FMVs or constructed values. The USPs and FMVs were calculated and compared by product characteristics. For price-to-price comparisons, we compared identical merchandise, where possible. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we made similar comparisons based on the characteristics listed in our memorandum to file dated June 24, 1994. If there were no sales of identical or similar merchandise in the home market to compare to U.S. sales, we compared USP to constructed value.

United States Price

For all respondents, we based USP on purchase price, in accordance with section 772(b) of the Act, when the subject merchandise was sold to

unrelated purchasers in the United States prior to importation and because exporter's sale price (ESP) methodology, in those instances, was not otherwise indicated.

In addition, for KSP and PSP, where certain sales to the first unrelated purchaser took place after importation into the United States, we based USP on ESP, in accordance with section 772(c) of the Act.

USP was based on the packed f.o.b., c.i.f., or delivered prices to unrelated purchasers in, or for exportation to, the United States. We made adjustments, as appropriate, to PP and ESP for movement expenses, discounts, rebates, and duty drawback.

We made additional deductions from ESP for direct selling expenses and indirect selling expenses.

For all respondents, we have adjusted for VAT in accordance with the tax-neutral methodology approved by the Court of Appeals for the Federal Circuit in *Federal-Mogul Corp.* v. *United States,* 63 F.3d 1572 (CAFC 1995). The approved tax-neutral adjustment methodology is based on the amounts of foreign taxes, rather than the tax rates. We have thus returned to the *Zenith Electronics Corp.* v. *United States,* 900 F.2d 1573 (CAFC 1993) footnote-4 methodology of adding the absolute amount of the consumption taxes on home market sales to the USP. Consistent with this methodology, when merchandise exported to the United States is exempt from the VAT, we have added to USP the absolute amount of such taxes charged on the comparison sales in the home market.

With respect to subject merchandise to which value was added in the United States prior to sale to unrelated U.S. customers, *e.g.,* pipe that was imported and further processed by U.S. affiliates, we deducted any increased value in accordance with section 772(e)(3) of the Tariff Act.

Foreign Market Value

In order to determine whether there were sufficient sales of standard pipe in the home market to serve as a viable basis for calculating FMV, we compared the volume of home market sales of standard pipe to the volume of third-country sales of the same product in accordance with section 773(a)(1)(B) of the Act. We found that the home market was viable for sales of standard pipe by all respondents.

Home market prices were based on the packed, ex-factory or delivered prices to related or unrelated purchasers in the home market. Where applicable, we made adjustments for movement expenses, differences in cost attributable to differences in physical characteristics of the merchandise, and differences in packing. We also made adjustments for differences in circumstances of sale in accordance with 19 CFR 353.56. For comparisons to PP sales, we deducted home market direct selling expenses and added U.S. direct selling expenses. For comparisons to ESP sales, we deducted home market direct selling expenses. We also made adjustments, where applicable, for home market indirect selling expenses to offset U.S. commissions in PP and ESP calculations and to offset U.S. indirect selling expenses deducted in ESP calculations, but not exceeding the amount of U.S. indirect expenses. For comparisons to both ESP and PP sales, we adjusted for VAT using the methodology detailed in the ''United States Price'' section of this notice.

We used sales to related customers only where we determined such sales were made at arm's length (*i.e.,* at prices comparable to prices at which respondents sold identical merchandise to unrelated customers). *See* 19 CFR 353.45(a). To test whether these sales were made at arm's length, we compared the gross unit prices of sales to affiliated and unaffiliated customers net of all movement charges, direct and indirect selling expenses, and packing. *See* Final Determination of Sales at Less Than Fair Value; Certain Cold-Rolled Carbon Steel Flat Products from Argentina, 58 FR 37062, 37077 (July 9, 1993).

PSP and Dongbu reported sales in the home market of ''overrun'' merchandise (*i.e.,* sales of a greater quantity of pipe than the customer ordered due to overproduction). Respondents claimed that we should disregard ''overrun'' sales in the home market as outside the ordinary course of trade. Section 773(a)(1)(A) of the Act and 19 CFR 353.46(a) provide that FMV shall be based on the price at which such or similar merchandise is sold in the exporting country in the ordinary course of trade for home consumption. Section 771(15) of the Act defines ''ordinary course of trade'' as ''the conditions and practices which, for a reasonable time prior to the exportation of the merchandise which is the subject of an investigation, have been normal in the trade under consideration with respect to merchandise of the same class or kind.'' See also 19 CFR 353.46(b).

We analyzed the following criteria to determine whether ''overrun'' sales differ from other sales of commercial pipe: (1) Ratio of overrun sales to total home market sales; (2) number of overrun customers compared to total number of home market customers; (3) average price of an overrun sale compared to average price of a commercial sale; (4) profitability of overrun sales compared to profitability of commercial sales; and (5) average quantity of an overrun sale compared to the average quantity of a commercial sale. Based on our analysis of these criteria and on an analysis of the terms of sales, we found certain overrun sales to be outside the ordinary course of trade. This analysis is consistent with the analysis sustained by the Court of International Trade in *Laclede Steel Co.* v. *United States,* Slip. Op. 94–144 (1995). For a more detailed description of our analysis, see the preliminary results analysis memoranda which are on file in the Central Records Unit (room B–099 of the Main Commerce Building).

Petitioners have contended that political contributions or other monetary payments (known as *ttuk kap*) are a normal part of doing business in Korea and can account for large sums. Petitioners have urged that the Department determine whether respondents or their affiliates made such payments and how such payments were treated in the companies' accounting systems.

We have completed a limited number of verifications and have found that none of the firms we verified maintained accounts identified specifically for either so-called *ttuk kap* payments or for political contributions. Moreover, based on the accounting and financial records that we examined, we found no evidence of incomplete expense reporting from the firms in question.

Cost of Production

Because we found home market sales below the cost of production by KSP and PSP in the less-than-fair-value (LTFV) investigation, we concluded that reasonable grounds exist to believe or suspect that these companies made home market sales during the POR at prices below the cost of production, and we therefore initiated cost investigations. *See* Import Administration Policy Bulletin Number 94.1 dated March 25, 1994. In addition, based on allegations submitted by petitioners in connection with this administrative review, we have decided to investigate whether sales of subject merchandise made by Dongbu and Union were made at prices below the cost of production. *See* Memorandum to Marie Parker dated April 22, 1994, and Memorandum to Marie Parker dated April 25, 1994.

A. Calculation of COP

We calculated the COP based on the sum of the costs of materials and fabrication employed in producing the subject merchandise, plus amounts for selling, general and administrative expenses and packing costs in accordance with section 773(b) of the Act. We relied on the home market sales and COP information provided by respondents in their questionnaire and supplemental responses.

As in the LTFV investigation of this case, we requested that all sales and cost data be reported on a weight basis. In the LTFV segment of this proceeding, respondents reported various per-unit prices and costs on several bases: actual weight, theoretical weight, and standard actual weight. In this review, we requested that respondents report all costs, prices, and adjustments on a theoretical-weight basis because that is the basis on which U.S. sales were made. We did this in order to ensure that we calculated costs and expenses in a consistent manner. The petitioners have contended that information used by the respondents to derive all three weight bases is inaccurate and systematically understates the cost of production of subject merchandise.

In response to the petitioners' arguments, we requested sale and cost data on a length basis rather than a weight basis for each 1″, 2″, and 4″ diameter pipe. These sizes represent the largest-volume U.S. sales made by the respondents during the POR. Respondents did not report actual length for these items but simply calculated length by applying a factor based on the reported weight, contending that they do not maintain records on an actual-length basis. Petitioners continue to object to respondents' methodology.

For these preliminary results, we have used the weight figures supplied by respondents for our dumping comparisons because we have no evidence that the weight figures respondents supplied result in understated cost figures. Furthermore, through the cost verification we have conducted thus far, we have not found understated costs. *See* Union Steel Co., Ltd., cost verification report dated June 2, 1997. This issue will also be examined at the cost verifications of KSP and PSP which, as discussed below, will be conducted after publication of these preliminary results.

B. Test of Home Market Prices

To determine if sales below cost had been made over an extended period of time, we compared the number of months in which sales below cost had occurred for a particular model to the number of months in which the model was sold. If the model was sold in three or fewer months, we did not find that below-cost sales were made over an extended period of time unless there were sales below cost of that model in each month. If a model was sold in more than three months, we did not find that below-cost sales were made over an extended period of time unless there were sales below cost in at least three of the months in which the models were sold.

Since none of the respondents has submitted information indicating that any of its sales below cost were at prices which would have permitted ''recovery of all costs within a reasonable period of time in the normal course of trade,'' within the meaning of section 773(b)(2) of the Act, we cannot reasonably conclude that the costs of production of such sales were recovered within a reasonable period.

C. Results of COP Test

In accordance with section 773(b) of the Act, in determining whether to disregard home market sales made at prices below the cost of production, we examined whether such sales were made in substantial quantities over an extended period of time. When less than 10 percent of the home market sales of a particular model were at prices below the cost of production, we found that substantial quantities of such sales were not made and did not disregard any sales of that model. When 10 percent or more, but not more than 90 percent, of the home market sales of a particular model were determined to be below cost, we determined that substantial quantities of such sales were made and excluded the below-cost home market sales from our calculation of FMV, provided that these below-cost sales were made over an extended period of time. When more than 90 percent of the home market sales of a particular model were made below cost over an extended period of time, we disregarded all home market sales of that model from our calculation of FMV and used CV. As a result, we disregarded below-cost sales when the conditions described above were met.

We found that KSP, PSP, Dongbu, and Union all made sales below cost in substantial quantities over an extended period of time. We therefore excluded these sales from our analysis and used the remaining sales as the basis for determining FMV in accordance with section 773(b) of the Act.

Constructed Value

We calculated CV in accordance with section 773(e) of the Act. We included the cost of materials, fabrication, general expenses, profit, and packing. To calculate CV we used: (1) Actual general expenses, or the statutory minimum of ten percent of the cost of materials and fabrication, whichever was greater; (2) actual profit or the statutory minimum of eight percent of the cost of materials, fabrication, and general expenses, whichever was greater; and (3) packing costs for merchandise exported to the United States. Where appropriate, we made adjustments to CV, in accordance with 19 CFR 353.56, for differences in circumstances of sale. For comparisons to PP sales, we deducted home market direct selling expenses and added U.S. direct selling expenses. For comparisons to ESP sales, we deducted home market direct selling expenses. We also made adjustments, where applicable, for home market indirect selling expenses to offset U.S. commissions in PP and ESP calculations. For comparisons involving ESP transactions, we made further deductions for CV for indirect selling expenses in the home market, capped by the indirect selling expenses incurred on ESP sales in accordance with 19 CFR 353.56(b)(2).

Currency Conversion

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

Verification

As provided in section 776(b) of the Act, we verified information provided by certain respondents using standard verification procedures, including on-site inspection of the manufacturer's facilities, the examination of relevant sales and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the public versions of the verification reports. Though we have not yet verified the sales data reported by KSP nor the cost data reported by either KSP or PSP we will verify this data prior to completion of the final results. Because we will not verify this information until after the preliminary results are issued, we have extended the comment period for KSP-specific and PSP-specific comments from interested parties to July 25, 1997. Rebuttals to these comments will be due on August 1, 1997. We are doing this so that all parties will have the opportunity to comment on these verifications.

Preliminary Results of Review

As a result of our review, we preliminarily determine the weighted-average dumping margins (in percent) for the period April 28, 1992, through October 31, 1993 to be as follows:

Company	Margin (percent)
Dongbu Steel Co., Ltd.	3.37
Korea Iron Steel Company	8.20
Korea Steel Pipe Co., Ltd	14.13
Pusan Steel Pipe Co., Ltd.	11.21
Union Steel Co., Ltd.	0.76

Parties to this proceeding may request disclosure within 5 days of the date of publication of this notice. Any interested party may request a hearing within 10 days of the date of publication of this notice. A hearing, if requested, will be held at 10 AM on August 4, 1997 in room 1412 in the main Commerce Department building.

Issues raised in the hearing will be limited to those raised in the respective briefs and rebuttal briefs. Briefs from interested parties regarding Dongbu, KISCO, Union, and general comments may be submitted not later than 30 days from the date of publication of these preliminary results, and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted not later than 37 days from the date of publication of these preliminary results. As noted above, KSP-specific and PSP-specific comments and rebuttals are due on July 25, 1997 and August 1, 1997, respectively. Parties who submit briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. The Department will subsequently publish the final results of this administrative review, including the results of its analysis of issues raised in any written briefs or hearings.

Furthermore, the following deposit requirements will be effective upon publication of the final results of review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(1) of the Tariff Act: (1) The cash deposit rates for the reviewed companies will be the rates determined in the final results of review; (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 4.80 percent, the ''All Others'' rate made effective by the amended final determination of the LTFV investigation published on November 3, 1995 (see Circular Welded Non-Alloy Steel Pipe from Korea: Notice of Final Court Decision and Amended Final Determination, 60 FR 55833 (November 3, 1995)).

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Because the inability to link sales with specific entries prevents entry-by-entry assessments, we will calculate wherever possible an exporter/importer-specific assessment rate.

With respect to PP sales for these preliminary results, we divided the total dumping margins for the reviewed sales (calculated as the difference between FMV and USP) for each importer by the total volume sold to that importer during the POR. We will direct Customs to assess the resulting per-ton dollar amount against each ton of merchandise in each of that importer's entries during the review period. Although this will result in assessing different percentage margins for individual entries, the total antidumping duties collected for each importer for the review period will approximately equal the total dumping margins.

For ESP sales, we divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. We will direct Customs to assess the resulting percentage margin against the entered Customs values for the subject merchandise on each of that importer's entries during the review period. While the Department is aware that the entered value of sales during the POR is not necessarily equal to the entered value of entries during the POR, use of entered value of sales as the basis of the assessment rate permits the Department to collect a reasonable approximation of the antidumping duties which would have been determined if the Department had reviewed those sales of merchandise actually entered during the POR. See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews, 61 FR 66,472 (December 17, 1996).

This notice also serves as a reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and this notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: June 16, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–17953 Filed 7–8–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–601]

Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Preliminary Results of Antidumping Administrative Review and Partial Termination of Administrative Review

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

ACTION: Notice of preliminary results of antidumping duty administrative review of tapered roller bearings and parts thereof, finished and unfinished, from the People's Republic of China and partial termination of administrative review.

SUMMARY: In response to requests by the petitioner and by Peer Bearing Company/Chin Jun Industrial, Ltd. (Chin Jun), the Department of Commerce is conducting an administrative review of the antidumping duty order on tapered roller bearings and parts thereof, finished and unfinished, from the People's Republic of China. The period of review is June 1, 1995, through May 31, 1996.

Although we included Shanghai General Bearing Co., Ltd. in our initiation notice, we subsequently revoked the order with regard to this respondent. Therefore, we are terminating this review with respect to this respondent (see Background section below).

We have preliminarily determined that sales have been made below normal