

Einsal's indirect selling expenses based on the adjusted starting prices (*see* Einsal Calculation Memorandum). We deducted home market packing costs and added U.S. packing costs in accordance with section 773(a)(6)(A) and (B) of the Act.

Finally, where appropriate, we made an adjustment for differences in LOT under section 773(a)(7)(A) of the Act and 19 CFR 351.412(b)–(e).

Additionally, for comparisons to CEP sales, where appropriate, we deducted from normal value the lesser of comparison-market indirect selling expenses and indirect selling expenses deducted from CEP (the CEP offset), pursuant to section 773(a)(7)(B) of the Act and 19 CFR 351.412(f).

#### Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as reported by the Dow Jones.<sup>4</sup> Einsal has demonstrated that its currency transactions on forward markets are linked to its U.S. dollar-denominated U.S. sales. Therefore, we have used the exchange rates specified in the forward sales agreements to make currency conversions for these sales, in accordance with section 773A(a).

#### Verification

As provided in section 782(i) of the Act, we will verify all information relied upon in making our preliminary determination.

#### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the export price or constructed 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:

Exporter/manufacture	Weighted-average margin percentage
BGH .....	18.72
Einsal .....	6.48
EWK/KEP .....	21.03
All Others .....	17.07

#### ITC Notification

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

#### Disclosure

We will disclose the calculations used in our analysis to parties in this proceeding in accordance with 19 CFR 351.224(b).

#### Public Comment

Case briefs for this investigation must be submitted to the Department no later than November 7, 2001. Rebuttal briefs must be filed by November 15, 2001. 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 public 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 an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held on November 19, 2001 at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

If this investigation proceeds normally, we will make our final determination by no later than 135 days after the publication of this notice in the **Federal Register**.

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

Dated: July 26, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A–475–829]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Stainless Steel Bar From Italy

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

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

**SUMMARY:** We preliminarily determine that stainless steel bar from Italy is being, or is likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended.

Interested parties are invited to comment on this preliminary determination. Since we are postponing the final determination, we will make our final determination not later than 135 days after the date of publication of this preliminary determination in the **Federal Register**.

**EFFECTIVE DATE:** August 2, 2001.

**FOR FURTHER INFORMATION CONTACT:** Jarrod Goldfeder, Melani Miller, or Anthony Grasso, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0189, (202) 482–0116, or (202) 482–3853, respectively.

#### 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 effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (“URAA”). In addition, unless otherwise indicated, all citations

<sup>4</sup> We normally make currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. In this case, where home market prices, costs and expenses were reported in German marks, we made currency conversions based on the exchange rates in effect on the dates of the U.S. sales as reported by the Dow Jones because the Federal Reserve Bank does not track the mark-to-dollar exchange rate.

to the Department of Commerce ("Department") regulations are to 19 CFR Part 351 (April 2000).

### Background

Since the initiation of this investigation (*Notice of Initiation of Antidumping Investigations: Stainless Steel Bar from France, Germany, Italy, Korea, Taiwan and the United Kingdom*, 66 FR 7620 (January 24, 2001) ("Initiation Notice"), as amended by *Corrections, Notice of Initiation of Antidumping Investigations: Stainless Steel Bar from France, Germany, Italy, Korea, Taiwan and the United Kingdom*, 66 FR 14986 (March 14, 2001)), the following events have occurred:

On January 26, 2001, we solicited comments from interested parties regarding the criteria to be used for model-matching purposes, and we received comments on our proposed matching criteria on February 8, February 14, and February 15, 2001.

On February 1, 2001, Acciaierie Valbruna Srl/Acciaierie Bolzano Srl ("Valbruna"), an Italian producer of the merchandise under investigation, submitted a request to the Department that the period of investigation ("POI") be altered. On February 9, 2001, the petitioners in this case (*i.e.*, Carpenter Technology Corp., Crucible Specialty Metals, Electralloy Corp., Empire Specialty Steel Inc., Slater Steels Corp., and the United Steelworkers of America) objected to this request. On March 1, 2001, the Department denied Valbruna's request to alter the POI. See letter from Susan Kuhbach to Valbruna dated March 1, 2001.

On February 12, 2001, the United States International Trade Commission ("ITC") preliminarily determined that there is a reasonable indication that imports of stainless steel bar ("SSB") from Italy are materially injuring the United States industry (*see* ITC Investigation No. 701-TA-913-918 (Publication No. 3395)).

On February 21, 2001, we selected the three largest producers/exporters of SSB from Italy (Acciaiera Foroni S.p.A. ("Foroni"), Valbruna, and Cogne Acciai Speciali Srl ("Cogne")) as the mandatory respondents in this proceeding. For further discussion, *see* Memorandum from The Team to Richard W. Moreland, "Respondent Selection" dated February 21, 2001 ("Respondent Selection Memorandum"). We subsequently issued the antidumping questionnaires to Foroni, Valbruna, and Cogne on February 22, 2001.

On March 1, 2001, Valbruna requested that it be allowed to report its costs on a fiscal-year rather than a POI

basis. Valbruna submitted further information with respect to its cost reporting on March 9 and March 19, 2001. The petitioners submitted comments on this request on March 14, 2001. On March 20, 2001, the Department notified Valbruna that it would be allowed to alter its cost reporting period as requested. (*See* March 20, 2001 letter to Valbruna for further discussion.)

On March 6, 2001, Trafilerie Bedini, Srl ("Bedini") and Rodacciai S.p.A. ("Rodacciai") formally requested to be treated as voluntary respondents in this investigation in response to the Department's invitation to do so in the *Respondent Selection Memorandum*. As discussed in detail below in the "Facts Available" section, on March 14, 2001, Cogne, one of the mandatory respondents selected by the Department, notified the Department that it would not be participating in the investigation. Based on Cogne's failure to respond to the Department's questionnaire, and in accordance with the Department's *Respondent Selection Memorandum*, on March 15, 2001, both Bedini and Rodacciai were advised that the Department would investigate them. (*See* letters to Bedini and Rodacciai dated March 15, 2001 for further discussion.)

On March 9, 2001, Acciaierie Bertoli Safau S.p.A. ("ABS") submitted a request to exclude hot-rolled SSB greater than six inches in diameter from the scope of this investigation. On March 26, 2001, the petitioners submitted an objection to this request. Additionally, on April 6, 2001, Rodacciai submitted a request to exclude welding wire from the scope of this investigation. The petitioners submitted a response to this request on April 24, 2001. *See* "Scope of Investigation" section of this notice, below, for further discussion of these requests.

In February and March, 2001, the petitioners made submissions requesting that the Department require the respondents to report the actual content of the primary chemical components of SSB for each sale of SSB made during the POI. Also, in February and March 2001, the respondents in this and other concurrent SSB investigations requested that the Department deny the petitioners' request. The Department, upon consideration of the comments from all parties on this matter, issued a memorandum on April 3, 2001, indicating its decision not to require the respondents to report such information on a transaction-specific basis. However, the Department did require that respondents report certain additional information concerning SSB

grades sold to the U.S. and home markets during the POI. (For details, *see* Memorandum from The Stainless Steel Bar Teams to Louis Apple and Susan Kuhbach, Directors, Office of AD/CVD Enforcement 1/2, dated April 3, 2001.)

On March 28, 2001, Rodacciai requested that it be exempted from the requirement to report affiliated party resales even though sales of the foreign like product to affiliated parties during the POI constituted more than five percent of total sales of the foreign like product. For the reasons stated in a Memorandum from John Brinkmann to Susan Kuhbach, dated April 12, 2001, we denied Rodacciai's request. On June 15, 2001, Bedini requested that it be exempted from the requirement to report affiliated party resales because sales of the foreign like product to affiliated parties during the POI constituted less than five percent of total sales of the foreign like product. On July 6, 2001, we granted Bedini's request in accordance with 19 CFR 351.403(d). (*See* Memorandum from the Team to Susan Kuhbach, dated July 6, 2001 for further details.)

During the period March through July 2001, the Department received responses to Sections A, B, C, and D of the Department's original and supplemental questionnaires from Valbruna, Rodacciai, Bedini, and Foroni. The Department also received a response to Section E from Bedini.

On April 2, 2001, Rodacciai requested that it be allowed to report its costs on a fiscal-year rather than a POI basis. The petitioners submitted comments on this request on April 5, 2001. Rodacciai responded to these comments and submitted further information on April 6, 2001. On April 21, 2001, the Department notified Rodacciai that it would not be allowed to alter its cost reporting period. (*See* April 21, 2001 letter to Rodacciai for further discussion.)

On April 27, 2001, pursuant to 19 CFR 351.205(e), the petitioners made a timely request to postpone the preliminary determination. We granted this request on May 7, 2001, and postponed the preliminary determination until no later than July 26, 2001. (*See Notice of Postponement of Preliminary Determinations of Sales at Less Than Fair Value: Stainless Steel Bar from France, Germany, Italy, Korea, Taiwan and the United Kingdom*, 66 FR 24114 (May 11, 2001).)

On July 6, July 9, July 10, and July 13, the petitioner submitted company-specific comments with respect to the upcoming preliminary determination.

Finally, on July 10, July 11, and July 13, 2001, the petitioners submitted

general and company-specific comments on product matching issues for the Department's consideration in the preliminary determination. Valbruna, Rodacciai, Bedini, Foroni, and the petitioners also submitted further company-specific comments on July 18, July 20, July 23, and July 25, 2001. These comments were not received in time to be analyzed fully for the preliminary determination, but will be considered for the final determination.

#### Postponement of Final Determination and Extension of Provisional Measures

Pursuant to section 735(a)(2) of the Act, on June 4, June 5, June 12, and July 17, 2001, respectively, Foroni, Bedini, Rodacciai, and Valbruna 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 the preliminary determination in the **Federal Register**, and extend the provisional measures to not more than six months. In accordance with 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) Bedini, Rodacciai, Foroni, and Valbruna account for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting the respondents' request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register**. Suspension of liquidation will be extended accordingly.

#### Scope of Investigation

For purposes of this investigation, the term "stainless steel bar" includes articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. Stainless steel bar includes cold-finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut length flat-rolled products (*i.e.*, cut length rolled products

which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), products that have been cut from stainless steel sheet, strip or plate, wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

The stainless steel bar subject to this investigation is currently classifiable under subheadings 7222.11.00.05, 7222.11.00.50, 7222.19.00.05, 7222.19.00.50, 7222.20.00.05, 7222.20.00.45, 7222.20.00.75, and 7222.30.00.00 of the *Harmonized Tariff Schedule of the United States* ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

In accordance with our regulations, we set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of publication of the *Initiation Notice* (see 66 FR 7620–7621). The respondents in this and the companion SSB investigations filed comments seeking to exclude certain products from the scope of these investigations. The specific products identified in their exclusion requests are:

- A. Stainless steel tool steel
- B. Welding wire
- C. Special-quality oil field equipment steel ("SQOFES")
- D. Special profile wire

We have addressed these requests in Memorandum to Susan Kubbach and Louis Apple from The Stainless Steel Bar Team, dated July 26, 2001, entitled "Scope Exclusion Requests," and Memorandum to Louis Apple from The Stainless Steel Bar Team, dated July 26, 2001, entitled "Whether Special Profile Wire Product is Included in the Scope of the Investigation." Our conclusions are summarized below.

Regarding stainless steel tool steel, welding wire, and SQOFES, after considering the respondents' comments and the petitioners' objections to the exclusion requests, we preliminarily determined that the scope is not overly broad. Therefore, stainless steel tool steel, welding wire, and SQOFES are within the scope of these SSB investigations. In addition, we preliminarily determine that SQOFES does not constitute a separate class or kind of merchandise from SSB.

Regarding special profile wire, we have preliminarily determined that this product does not fall within the scope as it is written because its cross section is in the shape of a concave polygon. Therefore, we have not included special profile wire in these investigations.

Finally, we note that in the concurrent countervailing duty investigation of stainless steel bar from Italy, the Department preliminarily determined that hot-rolled stainless steel bar is within the scope of these investigations. (See *Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination: Stainless Steel Bar from Italy*, 66 FR 30414 (June 6, 2001).)

#### Period of Investigation

The POI is October 1, 1999, through September 30, 2000.

#### Facts Available

On February 20, 2001, we sent an antidumping questionnaire to Cogne. On March 14, 2001, Cogne notified the Department that it would not be participating in this investigation. See letter from Cogne to the Secretary of Commerce dated March 14, 2001.

Section 776(a)(2) of the Act provides that, if an interested party (1) withholds information that has been requested by the Department, (2) fails to provide such information in a timely manner or in the form or manner requested, (3) significantly impedes a determination under the antidumping statute, or (4) provides such information but the information cannot be verified, the Department shall, subject to subsections 782(c)(1) and (e) of the Act, use facts otherwise available in reaching the applicable determination. Because Cogne failed to respond to our questionnaire, we must use facts otherwise available to calculate Cogne's dumping margin.

Section 776(b) of the Act provides that adverse inferences may be used when a party has failed to cooperate by not acting to the best of its ability to comply with requests for information. See, also, Statement of Administrative Action accompanying the URAA, H.R. Rep. No. 103–316, vol. 1, at 870 (1994). Cogne's willful failure to reply to the Department's questionnaire demonstrates it has failed to act to the best of its ability in this investigation. See *Nippon Steel Corp. v. United States*, 118 F. Supp. 2d 1366, 1379 (CIT 2000). Thus, the Department has determined that, in selecting among the facts otherwise available for Cogne, an adverse inference is warranted.

In accordance with our standard practice, we determine the margin used as adverse facts available by selecting the higher of (1) the highest margin stated in the notice of initiation, or (2) the highest margin calculated for any respondent. *See, e.g., Notice of Preliminary Determinations of Sales at Less Than Fair Value: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan and Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan and the Republic of South Africa*, 64 FR 69718, 69722 (December 14, 1999), followed in *Notice of Final Determinations of Sales at Less Than Fair Value: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan and Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Japan and the Republic of South Africa*, 65 FR 25907 (May 4, 2000); and *Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod from Korea and Germany*, 63 FR 10826, 10847 (March 5, 1998), followed in *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod from Korea and Germany*, 63 FR 40433 (July 29, 1998).

Section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) in using the facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. In this case, when analyzing the petition for purposes of the initiation, the Department reviewed all of the data upon which the petitioners relied in calculating the estimated dumping margins and determined that the margins in the petition were appropriately calculated and supported by adequate evidence in accordance with the statutory requirements for initiation. In order to corroborate the petition margins for purposes of using them as AFA, we re-examined the price and cost information provided in the petition in light of information developed during the investigation. For further details, *see* the Memorandum to Richard W. Moreland, "Preliminary Determination of Stainless Steel Bar from Italy: Corroboration Memorandum," dated July 26, 2001.

In accordance with Section 776(c) of the Act, we were able to partially corroborate the information in the petition using information from independent sources that were reasonably at our disposal. Using this

information, we were able to corroborate the price-to-price margin calculations in the petition, but were unable to fully corroborate the constructed value margin calculations in the petition. As a result, we have preliminarily assigned Cogne the highest price-to-price margin rate contained in the petition, 33.00 percent, for purposes of the preliminary determination.

#### Fair Value Comparisons

To determine whether sales of SSB from Italy to the United States were made at less than fair value ("LTFV"), we compared the export price ("EP") or constructed export price ("CEP") to the normal value ("NV"), as described in the "Export Price" and "Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI weighted-average EPs and CEPs to NVs. Any company-specific changes to the EP, CEP, and NV calculations are discussed in each company's individual calculation memorandum.

#### Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced and sold by the respondents in the home market during the POI that fit the description in the "Scope of Investigation" section of this notice to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales made in the home market, where appropriate. Where there were no sales of identical merchandise in the home market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade. In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondents in the following order of importance: General type of finish; grade; remelting process; type of final finishing operation; shape; and size. With respect to grade, we matched products sold in the U.S. and home markets on the basis of the three most similar matches proposed by the respondent, where possible.

On July 11 and 13, 2001, the petitioners submitted general comments on product-matching issues for the Department's consideration in the preliminary determination. These comments were not received in time to be analyzed fully for the preliminary

determination, but will be considered for the final determination.

#### Export Price

We calculated EP, in accordance with section 772(a) of the Act, for those sales where the merchandise was sold to the first unaffiliated purchaser in the United States prior to importation by the exporter or producer outside the United States, or to an unaffiliated purchaser for exportation to the United States, based on the facts of record. We based EP on the packed duty-not-paid, or delivered price to unaffiliated purchasers in the United States. We identified the correct starting price, where appropriate, by accounting for billing adjustments, freight revenue, and other revenue, as well as by making deductions for early payment discounts and rebates, where applicable. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act. These included, where appropriate, foreign inland freight (plant to port), foreign brokerage and handling, ocean freight, marine insurance, U.S. inland freight expenses, U.S. inland insurance, other U.S. transportation expenses (including U.S. brokerage and handling), and U.S. customs duties.

#### Constructed Export Price

We calculated CEP, in accordance with subsection 772(b) of the Act, for those sales to the first unaffiliated purchaser that took place after importation into the United States. We based CEP on the packed FOB, CIF, direct duty paid, or delivered prices to unaffiliated purchasers in the United States. We identified the correct starting price, where appropriate, by accounting for billing adjustments, freight revenue, and other revenue, as well as by making deductions for early payment discounts and rebates, where applicable. We also made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act. These included, where appropriate, foreign inland freight (plant to port), foreign brokerage and handling, ocean freight, marine insurance, U.S. inland freight expenses (freight from port to warehouse, freight from warehouse to the customer, and freight from warehouse to warehouse), U.S. post-sale warehousing expenses, U.S. inland insurance, other U.S. transportation expenses (including U.S. brokerage and handling), and U.S. customs duties. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses

(commissions, interest revenue, credit expenses, technical service expenses, and warranty expenses), inventory carrying costs, U.S. repacking expenses, and indirect selling expenses. For Bedini, we also deducted an amount for further-manufacturing costs in accordance with section 772(d)(2) of the Act. We adjusted Bedini's U.S. further-manufacturing costs to include the material yield loss for all products based on output quantity. Where applicable, we made an adjustment for profit in accordance with section 772(d)(3) of the Act.

#### **Ugine-Savoie Imphy Sub-Contracted Sales**

In its June 11, 2001, submission, Bedini indicated that, during the POI, it processed as part of a tolling operation non-subject merchandise (*i.e.*, stainless steel wire rod of French origin) that was owned by its French affiliate, Ugine-Savoie Imphy ("U-SI"), into subject merchandise. U-SI then sold this merchandise to the U.S. and other markets. Bedini further stated that, in accordance with the Department's country of origin rules, these sales were not reported as home market and/or U.S. sales in the sales listings submitted in the concurrent investigation of SSB from France, but rather were reported in the sales listings submitted in this investigation.

After further examining Bedini's claim in the context of the Department's substantial transformation practice and tolling regulation (19 CFR 351.401(h)), we concluded that this merchandise must be considered as a product of Italy, but that Bedini, as a tolling operation, cannot be considered the manufacturer or producer. Therefore, we have removed these sales from Bedini's U.S. database. At this time, we are unable to determine whether any of these sales are included in Bedini's home market database, and will examine this issue further after the preliminary determination.

#### **Normal Value**

##### *A. Home Market Viability*

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

each respondent's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable for all respondents.

##### *B. Affiliated-Party Transactions and Arm's-Length Test*

The Department's standard practice with respect to the use of home market sales to affiliated parties for NV is to determine whether such sales are at arm's-length prices. Therefore, in accordance with that practice, we performed an arm's-length test on Bedini, Valbruna, and Rodacciai's sales to affiliates as follows.

Sales to affiliated customers in the home market not made at arm's-length prices (if any) were excluded from our analysis because we considered them to be outside the ordinary course of trade. See 19 CFR 351.102. To test whether these sales were made at arm's-length prices, we compared on a model-specific basis the starting prices of sales to affiliated and unaffiliated customers net of all movement charges, direct selling expenses, and packing. Where, for the tested models of subject merchandise, prices to the affiliated party were on average 99.5 percent or more of the price to the unaffiliated parties, we determined that sales made to the affiliated party were at arm's length. See 19 CFR 351.403(c) and *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27355 (May 19, 1997). In instances where no price ratio could be constructed for an affiliated customer because identical merchandise was not sold to unaffiliated customers, we were unable to determine that these sales were made at arm's-length prices and, therefore, excluded them from our LTFV analysis. 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). Where the exclusion of such sales eliminated all sales of the most appropriate comparison product, we made a comparison to the next most similar model.

##### *C. Cost of Production Analysis*

Based on our analysis of an allegation contained in the petition, we found that there were reasonable grounds to believe or suspect that sales of SSB in the home market were made at prices below their cost of production ("COP"). Accordingly, pursuant to section 773(b) of the Act, we initiated a country-wide sales-below-cost investigation to determine whether sales were made at

prices below their respective COP (*see Initiation Notice* at 66 FR 7620, 7623).

##### **1. Calculation of COP**

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the cost of materials and fabrication for the foreign like product, plus an amount for general and administrative expenses ("G&A"), interest expenses, and home market packing costs (*see* "Test of Home Market Sales Prices" section below for treatment of home market selling expenses). We relied on the COP data submitted by Foroni, Valbruna, Bedini, and Rodacciai, except where noted below.

Valbruna. We increased Valbruna's reported total cost of manufacturing to reflect an unreconciled difference between the company's cost accounting system and its reported costs. *See* Memorandum from Robert Greger to Neal Halper, Director, Office of Accounting, dated July 26, 2001, Re: Cost Adjustments.

Foroni. We adjusted Foroni's general and administrative expenses to include director's fees and exclude indirect selling expenses. We also adjusted Foroni's net financial expenses to exclude foreign exchange gains and losses on accounts receivable, bond interest income and interest income from receivables. *See* Memorandum from Robert Greger to Neal Halper, Director, Office of Accounting, dated July 26, 2001, Re: Cost Adjustments.

Rodacciai. We adjusted Rodacciai's net financial expenses to exclude foreign exchange gains and losses on accounts receivable and interest income from receivables. *See* Memorandum from team to the file, "Preliminary Determination Calculation Memorandum for Rodacciai S.p.A." dated July 26, 2001.

##### **2. Test of Home Market Sales Prices**

On a product-specific basis, we compared the adjusted weighted-average COP to the home market sales of the foreign like product, as required under section 773(b) of the Act, in order to determine whether the sale prices were below the COP. The prices were inclusive of any applicable freight revenue and exclusive of any applicable movement charges, billing adjustments, discounts, rebates, commissions, interest revenue, warranty expenses, technical service expenses, and direct and indirect selling expenses. In determining whether to disregard home market sales made at prices less than their COP, we examined whether such sales were made (1) within an extended period of time, (2) in substantial

quantities, and (3) at prices which did not permit the recovery of all costs within a reasonable period of time.

### 3. Results of the COP Test

Pursuant to section 773(b)(1), where less than 20 percent of the respondent's sales of a given product are at prices less than the COP, we do not disregard any below-cost sales of that product, because we determine that in such instances the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product are at prices less than the COP, we disregard those sales of that product, because we determine that in such instances the below-cost sales represent "substantial quantities" within an extended period of time, in accordance with section 773(b)(1)(A) of the Act. In such cases, we also determine whether such sales were made at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(1)(B) of the Act.

We found that, for certain specific products, more than 20 percent of Bedini's, Valbruna's, Rodacciai's, and Foroni's home market sales were at prices less than the COP and, in addition, such sales were made within an extended period of time and did not provide for the recovery of costs. We therefore excluded these sales and used the remaining above-cost sales, if any, as the basis for determining NV, in accordance with section 773(b)(1) of the Act.

### D. Calculation of Constructed Value

Section 773(a)(4) of the Act provides that where normal value cannot be based on comparison-market sales, normal value may be based on CV. Accordingly, for Bedini (the only company that had any sales for which NV was based on CV), when sales of comparison products could not be found, either because there were no sales of a comparable product or all sales of the comparable products failed the COP test, we based NV on CV.

In accordance with sections 773(e)(1) and (e)(2)(A) of the Act, we calculated CV based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for selling expenses, G&A, interest, profit and U.S. packing costs. We calculated the cost of materials and fabrication based on the methodology described in the "Calculation of COP" section of this notice. In accordance with section 773(e)(2)(A) of the Act, we based selling expenses, G&A, and profit on the amounts incurred and realized by Bedini in connection with the

production and sale of the foreign like product in the ordinary course of trade for consumption in the foreign country.

### E. Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade ("LOT") as the EP or CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent) according to 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *Id.*; see also *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997). In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the "chain of distribution"),<sup>1</sup> including selling functions,<sup>2</sup> class of customer ("customer category"), and the level of selling expenses for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying levels of trade for EP and comparison market sales (*i.e.*, NV based on either home market or third country prices<sup>3</sup>), we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. See *Micron Technology, Inc. v. United States*, 243 F. 3d 1301, 1314–1315 (Fed. Cir. 2001).

When the Department is unable to match U.S. sales to sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sale

<sup>1</sup> The marketing process in the United States and comparison markets begins with the producer and extends to the sale to the final user or consumer. The chain of distribution between the two may have many or few links, and the respondents' sales occur somewhere along this chain. In performing this evaluation, we considered the narrative responses of each respondent to properly determine where in the chain of distribution the sale occurs.

<sup>2</sup> Selling functions associated with a particular chain of distribution help us to evaluate the level(s) of trade in a particular market. For purposes of this preliminary determination, we have organized the common SSB selling functions into four major categories: sales process and marketing support, freight and delivery, inventory and warehousing, and quality assurance/warranty services. Other selling functions unique to specific companies were considered, as appropriate.

<sup>3</sup> Where NV is based on CV, we determine the NV LOT based on the LOT of the sales from which we derive selling expenses, G&A, and profit for CV, where possible.

to sales at a different LOT in the comparison market. If the comparison market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between sales at different LOTs in the country in which NV is determined, we make a level of trade adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if a NV LOT is more remote from the factory than the CEP LOT and we are unable to make a level of trade adjustment, the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

We obtained information from each respondent regarding the marketing stages involved in making the reported home market and U.S. sales, including a description of the selling activities performed by the respondents for each channel of distribution. Company-specific level of trade findings are summarized below. The complete level of trade analysis for each company is incorporated into the "Preliminary Determination Calculation Memorandum" for each company.

Bedini. Bedini reported three channels of distribution in the home market, with two customer categories. With respect to the first channel of distribution, coded in its submissions as channel 2, we found that the sales were primarily produced-to-order sales which were shipped to distributors and end-users direct from the factory. Sales to both customer categories were similar with respect to sales process, freight services, warehouse/inventory maintenance and warranty service. We preliminarily determine that this channel of distribution constitutes a distinct LOT ("LOTH1").

For the remaining two channels in the home market, coded as channels 3 and 4, we found that they were inventory sales by an affiliated reseller, which only differed with respect to the source of the SSB. We have therefore analyzed these reported channels as a single channel of distribution. Within this channel, sales to distributors and end-users were similar with respect to sales process, freight services, warehouse/inventory maintenance and warranty service. We preliminarily determine that this channel constitutes a distinct LOT ("LOTH2").

We further found that LOTH1 differed significantly from LOTH2 with respect to sales process, freight service and warehouse/inventory maintenance.

Based upon our overall analysis in the home market, we found that LOTH1 and LOTH2 constitute two different levels of trade.

In the U.S. market, Bedini only reported CEP sales. Bedini's constructed CEP level of trade was its sales to its affiliated reseller, and since it performed the same selling functions for all of these sales, we found that these CEP sales constitute one level of trade. This CEP level of trade differed considerably from the home market level of trade LOTH2 with respect to sales process, freight services, warehouse/inventory maintenance, and warranty service. We found that LOTH1 was similar to the CEP LOT with respect to sales process, freight services and warehouse/inventory maintenance and differed only slightly with respect to warranty service.

Although Bedini claimed a CEP offset adjustment to normal value, because we found the CEP LOT to be similar to home market level of trade LOTH1, where possible, we matched CEP sales to normal value based on home market sales in LOTH1 and made no CEP offset adjustment. Where we did not match products at the same level of trade, and there was a pattern of consistent price differences between different levels of trade, we made a level of trade adjustment. *See* section 773(a)(7)(A) of the Act. Where we did not match products at the same level of trade, and we were unable to make a level of trade adjustment, because the home market level of trade was at a more advanced stage of distribution than the CEP level of trade, we made a CEP offset in accordance with section 773(a)(7)(B) of the Act.

Foroni. We examined the chain of distribution and the selling activities associated with sales reported by Foroni in the home market which were primarily produced-to-order sales shipped to distributors and end-users direct from the factory. We found the sales to both customer categories were similar with respect to sales process, freight services, warehouse/inventory maintenance and warranty service. We therefore preliminarily determine that these home market sales constitute a single level of trade.

In the U.S. market, Foroni only reported CEP sales. Foroni's constructed CEP level of trade was its sales to its affiliated reseller, and since it performed the same selling functions for these sales, we found that these CEP sales constitute one level of trade. This CEP level of trade was similar to that of the home market with respect to sales process, warehouse/inventory maintenance and warranty service, and

differed only slightly with respect to freight and delivery. Since we found the CEP LOT to be similar to the home market level of trade, we matched CEP sales to normal value based on home market sales and made no CEP offset adjustment.

Rodacciai. We examined the chain of distribution and the selling activities associated with home market sales reported by Rodacciai from warehouse inventory to end-users and to distributors. We found that sales to each customer category were similar with respect to sales process, freight services, warehouse/inventory maintenance and warranty service and therefore Rodacciai's home market sales constituted a single level of trade.

In the U.S. market, Rodacciai had both EP and CEP sales. Rodacciai reported EP sales to distributors through only one channel of distribution and one customer category, and therefore had only one level of trade for its EP sales. This EP level of trade differed considerably from the home market level of trade with respect to sales process, freight services and warehousing/inventory maintenance. Consequently, we could not match the EP level of trade to sales at the same level of trade in the home market. Since there was only one level of trade in the home market, there was no pattern of consistent price differences between different levels of trade in the home market, nor do we have any other information that provides an appropriate basis for determining a level of trade adjustment. Accordingly, we have not made a level of trade adjustment. *See* section 773(a)(7)(A) of the Act.

With respect to CEP sales, Rodacciai's constructed CEP level of trade was sales to its affiliated reseller, and since it performed the same selling functions for these sales, we found that these CEP sales constitute one level of trade. This CEP level of trade differed considerably from the single home market level of trade with respect to sales process, freight services and warehouse/inventory maintenance. Consequently, we could not match to sales at the same level of trade in the home market. Since there was only one level of trade in the home market, there was no pattern of consistent price differences between different levels of trade in the home market, nor do we have any other information that provides an appropriate basis for determining a level of trade adjustment. Accordingly, we have not made a level of trade adjustment. *See* section 773(a)(7)(A) of the Act. We therefore determined NV based on the single level of trade in the

home market, and because this home market level of trade was at a more advanced stage of distribution than the CEP level of trade, we made a CEP offset in accordance with section 773(a)(7)(B) of the Act.

Valbruna. Valbruna reported two channels of distribution in the home market, with two customer categories. The first channel of distribution, coded in its submissions as channel 1, included sales made to end-users and distributors by factory headquarters. Sales to both customer categories in this channel were similar with respect to sales process, freight services, warehouse/inventory maintenance and warranty service. The second channel of distribution, coded in its submissions as channel 2, were sales made to end-users and distributors by service centers. We compared these two channels of distribution and found that, while they differed slightly with respect to warehouse/inventory maintenance, they were similar with respect to sales process, freight services and warranty service. Accordingly, we preliminarily determine that home market sales in these two channels of distribution constitute a single level of trade.

In the U.S. market, Valbruna had both EP and CEP sales. Valbruna reported EP sales to a master distributor through only one channel of distribution and one customer category, and therefore had only one level of trade for its EP sales. This EP level of trade differed considerably from the home market level of trade with respect to sales process and warehousing/inventory maintenance. Consequently, we could not match the EP level of trade to sales at the same level of trade in the home market. Since there was only one level of trade in the home market, there was no pattern of consistent price differences between different levels of trade in the home market, nor do we have any other information that provides an appropriate basis for determining a level of trade adjustment. Accordingly, we have not made a level of trade adjustment. *See* section 773(a)(7)(A) of the Act.

With respect to CEP sales, Valbruna's constructed CEP level of trade was sales to its affiliated reseller, and since it performed the same selling functions for these sales, we found that these CEP sales constitute one level of trade. This CEP level of trade differed considerably from the single home market level of trade with respect to sales process and warehouse/inventory maintenance. Consequently, we could not match to sales at the same level of trade in the home market. Since there was only one level of trade in the home market, there

was no pattern of consistent price differences between different levels of trade in the home market, nor do we have any other information that provides an appropriate basis for determining a level of trade adjustment. Accordingly, we have not made a level of trade adjustment. See section 773(a)(7)(A) of the Act. We therefore determined NV based on the single level of trade in the home market, and because this home market level of trade was at a more advanced stage of distribution than the CEP level of trade, we made a CEP offset in accordance with section 773(a)(7)(B) of the Act.

#### F. Calculation of Normal Value Based on Comparison Market Prices

We calculated NV based on delivered, FOB, or ex-works/ex-warehouse prices to unaffiliated customers or prices to affiliated customers that we determined to be at arm's-length. To identify the correct starting price, we accounted for freight revenue, where appropriate, and also made deductions, where appropriate, for billing adjustments, early payment discounts, and other discounts and rebates. We also made adjustments for inland freight (plant to warehouse and plant/warehouse to customer), and warehousing expense, where appropriate, in accordance with section 773(a)(6)(B)(iii) of the Act. We made adjustments for differences in costs attributable to differences in the physical characteristics of the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411. In addition, where appropriate, we made adjustments under section 773(a)(6)(C)(iii) of the Act for differences in circumstances of sale for commissions, imputed credit expenses, interest revenue, warranty expenses, technical service expenses, and other direct selling expenses. We also made adjustments, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred in the comparison market or U.S. sales where commissions were granted on sales in one market but not in the other (the commission offset). We deducted home market packing costs and added U.S. packing costs in accordance with section 773(a)(6)(A) and (B) of the Act.

Finally, where appropriate, we made an adjustment for differences in LOT under section 773(a)(7)(A) of the Act and 19 CFR 351.412(b)–(e). Additionally, for certain comparisons to CEP sales, where appropriate, we deducted from normal value the lesser of comparison-market indirect selling expenses and indirect selling expenses deducted from CEP (the CEP offset),

pursuant to section 773(a)(7)(B) of the Act and 19 CFR 351.412(f).

#### G. Calculation of Normal Value Based on Constructed Value

For price-to-CV comparisons, we made adjustments to CV in accordance with section 773(a)(8) of the Act. Where we compared CV to CEP, we deducted from CV the weighted-average home market direct selling expenses. We also made circumstances of sale adjustments. Finally, we made an adjustment for differences in LOT under section 773(a)(7)(A) of the Act and 19 CFR 351.412(b)–(e).

#### Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as reported by the Dow Jones.<sup>4</sup>

#### Verification

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

#### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, with the exception of Valbruna, noted below, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the export price or constructed 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:

Exporter/manufacturer	Weighted-average margin percentage
Acciaierie Valbruna Srl/Acciaierie Bolzano Srl .....	1.75
Acciaiera Foroni SpA .....	7.72

<sup>4</sup> We normally make currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. In this case, where home market prices, costs and expenses were reported in Italian lira, we made currency conversions based on the exchange rates in effect on the dates of the U.S. sales as reported by the Dow Jones because the Federal Reserve Bank does not track the lira-to-dollar exchange rate.

Exporter/manufacturer	Weighted-average margin percentage
Trafilerie Bedini, Srl .....	2.63
Rodacciai S.p.A. ....	4.86
Cogne Acciai Speciali Srl .....	33.00
All Others .....	7.72

\* Pursuant to 19 CFR 351.204(d)(3), we have excluded rates calculated for voluntary respondents from the calculation of the all-others rate under section 735(c)(5) of the Act.

\*\* Pursuant to section 735(c)(5)(A), we have excluded from the calculation of the all-others rate margins which are zero or *de minimis*, or determined entirely on facts available.

For Valbruna, because its estimated weighted-average preliminary dumping margin is *de minimis*, we are not directing the Customs Service to suspend liquidation of Valbruna's entries.

#### ITC Notification

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

#### Disclosure

We will disclose the calculations used in our analysis to parties in this proceeding in accordance with 19 CFR 351.224(b).

#### Public Comment

Case briefs for this investigation must be submitted to the Department no later than November 5, 2001. Rebuttal briefs must be filed by November 13, 2001. 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 public 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 an interested party. If a request for a hearing is made in this investigation, the hearing will tentatively be held on November 16, 2001 at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

If this investigation proceeds normally, we will make our final determination by no later than 135 days after the publication of this notice in the **Federal Register**.

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

Dated: July 26, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 01-19351 Filed 8-1-01; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-847]

#### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Stainless Steel Bar From Korea

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

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

**SUMMARY:** We preliminarily determine that stainless steel bar from Korea is being, or is likely to be, sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended.

Interested parties are invited to comment on this preliminary determination. Since we are postponing the final determination, we will make our final determination not later than 135 days after the date of publication of this preliminary determination in the **Federal Register**.

**EFFECTIVE DATE:** August 2, 2001.

**FOR FURTHER INFORMATION CONTACT:** Barbara Wojcik-Betancourt or Sophie Castro, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202)

482-0629 or (202) 482-0588, respectively.

#### 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 effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce ("Department's") regulations are to the regulations at 19 CFR part 351 (April 2000).

##### Background

Since the initiation of this investigation (*Notice of Initiation of Antidumping Investigations: Stainless Steel Bar from France, Germany, Italy, Korea, Taiwan and the United Kingdom*, 66 FR 7620 (January 24, 2001) (*Initiation Notice*), as amended by *Corrections, Notice of Initiation of Antidumping Investigations: Stainless Steel Bar from France, Germany, Italy, Korea, Taiwan and the United Kingdom*, 66 FR 14986 (March 14, 2001), the following events have occurred:

On January 26, 2001, we solicited comments from interested parties regarding the criteria to be used for model-matching purposes, and we received comments on our proposed matching criteria on February 8, 2001.

On February 12, 2001, the United States International Trade Commission ("ITC") preliminarily determined that there is a reasonable indication that imports of stainless steel bar ("SSB") from Korea are materially injuring the United States industry (*see* ITC Investigation No. 701-TA-913-918 (Publication No. 3395)).

On February 12, 2001, we selected the four largest producers/exporters of SSB from Korea as the mandatory respondents in this proceeding. For further discussion, *see* Memorandum from The Team to Richard W. Moreland, Deputy Assistant Secretary for Import Administration, entitled "Respondent Selection", dated February 12, 2001. We subsequently issued the antidumping questionnaires to Dongbang Industrial Co., Ltd. ("Dongbang"), Changwon Specialty Steel ("Changwon"), Duferco Steel SA ("Duferco"), and Posco Steel Service and Sales ("POSTEEL") on February 20, 2001.

On February 15, 2001, SeAH Steel Corp. ("SeAH") appeared on the record of this investigation as a voluntary respondent. On April 23, 2001, SeAH was advised that the Department could

not change its status from a voluntary to a mandatory respondent. (*See* Memoranda to the File dated February 27, 2001, and April 30, 2001, for further discussion.)

In February and March, 2001, the petitioners<sup>1</sup> in this case made submissions requesting that the Department require the respondents to report the actual content of the primary chemical components of SSB for each sale of SSB made during the period of investigation ("POI"). The respondents in this and other concurrent SSB investigations requested that the Department deny the petitioners' request. The Department, upon consideration of the comments from all parties on this matter, issued a memorandum on April 3, 2001, indicating its decision not to require the respondents to report such information on a transaction-specific basis. However, the Department did require that respondents report certain additional information concerning SSB grades sold to the U.S. and home markets during the POI. (For details, *see* Memorandum from The Stainless Steel Bar Teams to Louis Apple and Susan Kuhbach, Office Directors, dated April 3, 2001).

On March 13, 2001, Duferco, a trading company in Switzerland, requested that it be relieved from its requirement to respond to Sections B, C, and D of the antidumping questionnaire because the producer of the subject merchandise that Duferco sold to the United States during the POI, indicated that it intended to report all the relevant sales and cost data in its response to the antidumping questionnaire because it knew at the time of sale to Duferco that the subject merchandise would be exported to the United States. On April 12, 2001, the Department informed Duferco that it was not required to respond to Sections B, C, and D of the antidumping questionnaire. The Department also advised Duferco that pursuant to section 776(a) of the Tariff Act of 1930, as amended, if the information provided by Duferco or Duferco's supplier is not complete or cannot be verified as provided in section 782(i) of the Act, the Department may have to resort to the use of facts available. (*See* Memorandum from Barbara Wojcik-Betancourt to The File, dated April 12, 2001, for further details.)

During the period March through June 2001, the Department received responses to Sections A, B, C, and D of

<sup>1</sup> The petitioners in this case (*i.e.*, Carpenter Technology Corp., Crucible Speciality Metals, Electralloy Corp., Empire Specialty Steel Inc., Slater Steels Corp., and the United Steelworkers of America)