

Washington, DC 20230, telephone (202) 482-2243.

APPLICABLE STATUTE AND REGULATIONS:

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR part 351 (2000).

SUPPLEMENTARY INFORMATION:

Background

On March 11, 1986, the Department published, in the **Federal Register**, an antidumping duty order on circular welded carbon steel pipes and tubes from Thailand (51 FR 8341). On March 16, 2000, the Department published a notice of opportunity to request an administrative review of this order covering the period March 1, 1999, through February 29, 2000 (65 FR 14242). Timely requests for an administrative review of the antidumping duty order with respect to sales by Saha Thai Steel Company, Ltd. (Saha Thai) during the POR were filed by Saha Thai; two importers, Ferro Union Inc. and ASOMA Corp.; and three domestic producers, Allied Tube and Conduit Corporation, Sawhill Tubular Division—AK Steel Inc., and Wheatland Tube Company (collectively, the petitioners). The Department published a notice of initiation of this antidumping duty administrative review on May 1, 2000 (65 FR 25303).

Because the Department determined that it was not practicable to complete this review within the statutory time limits, on November 20, 2000, we published, in the **Federal Register**, a notice of extension of the time limit for the preliminary results of this review (65 FR 69734). As a result, we extended the deadline for the preliminary results to March 31, 2001; however, because this date fell on a non-business day, the preliminary results were issued on April 2, 2001. On April 12, 2001, the preliminary results of review were published in the **Federal Register** (66 FR 18901). From June 4 through 13, 2001, the Department verified the sales and cost questionnaire responses of Saha Thai in Thailand.

Extension of Time Limits for Final Results

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of an administrative review if it determines

that it is not practicable to complete the review within the statutory time limit of 365 days. In the instant case, the Department has determined that it is not practicable to complete the review within the statutory time limit due to the need for analysis of certain complex issues, including the date of sale.

Because it is not practicable to complete this review within the time limits mandated by the Act (245 days from the last day of the anniversary month for preliminary results, 120 additional days for final results), in accordance with section 751(a)(3)(A) of the Act, the Department is extending the time limit for the final results an additional 60 days to no later than October 9, 2001.

This notice is issued and published in accordance with section 751(a)(3)(A) of the Act and section 351.213(h)(2) of the Department's regulations.

Dated: August 7, 2001.

Joseph A. Spetrini,

Deputy Assistant Secretary, AD/CVD Enforcement Group III.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-828]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Welded Large Diameter Line Pipe From Mexico

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

EFFECTIVE DATE: August 15, 2001.

FOR FURTHER INFORMATION CONTACT: Mesbah Motamed or Rick Johnson, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1382 (Motamed) and (202) 482-3818 (Johnson).

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce ("Department") regulations are to the regulations at 19 CFR part 351 (April 2000).

Preliminary Determination

We preliminarily determine that welded large diameter line pipe ("LDLP") from Mexico is being sold, or is likely to be sold, in the United States at less than fair value ("LTFV"), as provided in section 733(b) of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

Case History

On January 10, 2001, the Department received a petition on LDLP from Mexico in proper form by American Steel Pipe Division of American Cast Iron Pipe Company, Berg Steel Pipe Corporation, and Stupp Corporation (collectively "petitioners"). The Department received information from the petitioners supplementing the petition on January 22, January 24, January 26, and January 29, 2001.

On January 30, 2001, the Department initiated an antidumping investigation of LDLP from Mexico. *See Notice of Initiation of Antidumping Duty Investigations: Welded Large Diameter Line Pipe from Mexico and Japan*, 66 FR 11266 (February 23, 2001) ("Notice of Initiation"). Since the initiation of this investigation the following events have occurred.

The Department set aside a period for all interested parties to raise issues regarding product coverage. *See Notice of Initiation* at 11267. On February 20, 2001 an interested party, Tubesa, S.A. de C.V., submitted comments on product scope. *See Memorandum from John Drury to Joseph Spetrini: Antidumping Duty Investigations on Certain Welded LDLP Japan and Mexico; Scope Issues*, dated June 19, 2001. On July 18, 2001, the Department received comments from petitioners requesting the exclusion of certain products from the scope. *See Memorandum from Mesbah Motamed to Joseph Spetrini: Antidumping Duty Investigations on Certain Welded LDLP Japan and Mexico; Scope Issues*, dated August 8, 2001.

In response to comments by interested parties the Department has determined that certain welded large diameter line pipe products are excluded from the scope of this investigation. These excluded products are described below (*see* "Scope of Investigation"). *See also Memorandum from Richard Weible and Edward Yang to Joseph Spetrini, Scope Issues for Welded Large Diameter Line Pipe*, June 19, 2001.

On February 26, 2001, the United States International Trade Commission ("ITC") informed the Department of its preliminary determination that there is

a reasonable indication that imports of the products subject to this investigation are materially injuring an industry in the United States producing the domestic like product. *See Certain Welded Large Diameter Line Pipe from Japan and Mexico*, 66 FR 13568 (March 6, 2001).

On February 26, 2001, the Department issued a letter seeking volume and value of sales information to Procarsa S.A. de C.V. ("Procarsa"), Productora Mexicana de Tuberia S.A. de C.V. ("PMT"), Tubacero S.A. de C.V. ("Tubacero"), Tuberia Laguna S.A. de C.V. ("Tuberia"), and Tubesa S.A. de C.V. ("Tubesa"). On March 8, Tubesa submitted its response. On March 9, Tubacero submitted its response. On March 12, 2001, Procarsa and PMT submitted their responses. Tuberia did not respond to the Department's request for information regarding volume and value of sales. On March 20, 2001, the Department limited the respondents in the investigation to Productora Mexicana de Tuberia S.A. de C.V. ("PMT"). *See* "Selection of Respondents" discussion below; *see also Respondent Selection Memorandum from Edward Yang to Joseph A. Spetrini, March 20, 2001.*

PMT filed its complete Section A response on March 29, 2001. PMT filed its Sections B and C responses on May 7, 2001. On May 22, 2001, Tubacero, an affiliated producer of subject merchandise, submitted its Section A response, and PMT submitted its supplemental Section A response. On June 12, 2001 Tubacero submitted a supplemental response to Section A. Additionally on June 12, 2001, PMT filed its supplemental response to Sections B and C. On June 15, 2001, Tubacero submitted its Sections B and C response. On June 15, 2001, a U.S. affiliate submitted a Section A response and, on June 18, 2001, submitted a Section C response. On June 20, 2001, the Department collapsed respondent PMT with its affiliate, Tubacero (hereinafter referred to as "PMT-Tubacero") (*see* "Collapsing PMT and Tubacero" discussion below). PMT-Tubacero submitted additional supplemental Sections A, B, and C responses on July 23, 2001.

On May 22, 2001, petitioners alleged that PMT made home market sales of LDLP at prices below the cost of production ("COP") during the period of investigation and supplemented their allegation on May 25, May 29, and June 19, 2001. On June 22, 2001, the Department found that petitioners' COP allegation was company-specific, made use of respondent's data, employs a reasonable methodology, provides

evidence of below-cost sales, and covers merchandise representative of the LDLP sold by PMT-Tubacero in the United States. Therefore, the Department determined that petitioners' COP allegation provided a reasonable basis to initiate a COP investigation. *See Memorandum from Rick Johnson to Edward Yang: Analysis of Petitioners' Allegation of Sales Below the Cost of Production for Productora Mexicana de Tuberia, S.A. de C.V.* PMT-Tubacero submitted a Section D response on July 23, 2001. On July 24, the Department sent a letter to PMT-Tubacero stating that its July 23, 2001 response was grossly deficient and unusable and instructed it to resubmit the response by July 31, 2001.

On June 11, 2001, the Department published in the **Federal Register** a notice postponing the preliminary determination until August 8, 2001. *See Welded Large Diameter Line Pipe From Mexico: Postponement of Preliminary Determination of Antidumping Duty Investigation*, 66 FR 31211 (June 11, 2001).

Period of Investigation

The period of investigation ("POI") is January 1, 2000 through December 31, 2000.

Scope of Investigation

The product covered by this investigation is certain welded carbon and alloy line pipe, of circular cross section and with an outside diameter greater than 16 inches, but less than 64 inches, in diameter, whether or not stenciled. This product is normally produced according to American Petroleum Institute (API) specifications, including Grades A25, A, B, and X grades ranging from X42 to X80, but can also be produced to other specifications.

Specifically not included within the scope of this investigation is American Water Works Association (AWWA) specification water and sewage pipe and the following size/grade combinations of line pipe:

- Having an outside diameter greater than or equal to 18 inches and less than or equal to 22 inches, with a wall thickness measuring 0.750 inch or greater, regardless of grade.
- Having an outside diameter greater than or equal to 24 inches and less than 30 inches, with wall thickness measuring greater than 0.875 inches in grades A, B, and X42, with wall thickness measuring greater than 0.750 inches in grades X52 through X56, and with wall thickness measuring greater than 0.688 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 30 inches and less than 36 inches, with wall thickness measuring greater than 1.250 inches in grades A, B, and X42, with wall thickness measuring greater than 1.000 inches in grades X52 through X56, and with wall thickness measuring greater than 0.875 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 36 inches and less than 42 inches, with wall thickness measuring greater than 1.375 inches in grades A, B, and X42, with wall thickness measuring greater than 1.250 inches in grades X52 through X56, and with wall thickness measuring greater than 1.125 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 42 inches and less than 64 inches, with a wall thickness measuring greater than 1.500 inches in grades A, B, and X42, with wall thickness measuring greater than 1.375 inches in grades X52 through X56, and with wall thickness measuring greater than 1.250 inches in grades X60 or greater.

- Having an outside diameter equal to 48 inches, with a wall thickness measuring 1.0 inch or greater, in grades X-80 or greater.

The product currently is classified under U.S. Harmonized Tariff Schedule ("HTSUS") item numbers 7305.11.10.30, 7305.11.10.60, 7305.11.50.00, 7305.12.10.30, 7305.12.10.60, 7305.12.50.00, 7305.19.10.30, 7305.19.10.60, and 7305.19.50.00. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion, when faced with a large number of exporters/producers, to limit its examination to a reasonable number of such companies if it is not practicable to examine all companies. Where it is not practicable to examine all known producers/exporters of subject merchandise, this provision permits the Department to investigate either: (1) A sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume of the

subject merchandise that can be reasonably examined.

We examined producer-specific data accounting for total POI exports of LDLP from Mexico. We identified five companies which exported LDLP to the United States during the POI. Due to constraints on our time and resources, we found it impracticable to examine all five companies. Therefore, because its export volume accounted for a significant portion of all exports from Mexico, we selected PMT as the mandatory respondent. For a more detailed discussion of respondent selection in this investigation, see *Respondent Selection Memorandum from Edward Yang and Rich Weible to Joseph A. Spetrini*, March 20, 2001.

Collapsing PMT and Tubacero

Through PMT's March 29, 2001 Section A response and its response to subsequent questionnaires, the Department determined that PMT is affiliated with another Mexican producer of subject merchandise, Tubacero, under section 771(33)(E) of the Act. See, *Letter from Rick Johnson to PMT* dated May 18, 2001. Based on the evidence on the record, the Department also found that both producers have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities. The Department conducted an analysis of the potential for the manipulation of price or production under the criteria set out in section 351.401(f)(2) of the Department's regulations. We concluded that a significant potential for the manipulation of price or production exists. Therefore, the Department has collapsed PMT and Tubacero for the purposes of determining whether dumping has occurred. See *Memorandum from Edward Yang to Joseph A. Spetrini: Whether to Collapse Affiliated Parties Productora Mexicana de Tuberia, S.A. de C.V. and Tubacero, S.A. de C.V. ("Collapsing Memo")* dated June 20, 2001.

Facts Available

Section 776(a)(2)(B) of the Act provides that if necessary information is not available on the record, or an interested party or any other person fails to provide such information by the deadlines for submission of the information or in the form and manner requested, the administering authority shall, subject to section 782(d) of the Act, use the facts otherwise available in reaching the applicable determination.

Under section 782(d) of the Act, if the Department:

determines that a response to a request for information under this title does not comply with the request, the administering authority * * * shall promptly inform the person submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that person with an opportunity to remedy or explain the deficiency in light of the time limits established for the completion of investigations or reviews under this title.

On July 23, 2001, the PMT-Tubacero submitted a Section D response which was deficient and unusable. In short, respondents failed to provide complete, combined cost information for both companies, did not supply adequate narrative responses, and provided unreliable cost data. The Department therefore determines that, due to the deficient nature of the July 23, 2001 Section D response, no comparison of cost of production to normal value can be properly made, nor can we rely upon the underlying variable and total cost of manufacturing data reported in the home market and United States sales databases. This consequently prohibits the Department from accurately selecting HM sales to compare to U.S. sales. Therefore, in light of PMT-Tubacero's failure to provide requested information necessary to calculate dumping margins in this case, in accordance with section 776(a) of the Act, we are forced to resort to total facts available for this preliminary determination. See *Total Facts Available and Corroboration Memorandum for PMT-Tubacero*.

On July 24, 2001, the Department afforded PMT-Tubacero another opportunity to remedy its Section D response by July 31, 2001. See *Letter from Edward Yang to PMT-Tubacero*, dated July 24, 2001. However, because the time limit for this preliminary determination makes it impracticable for the Department to analyze and incorporate the data submitted on July 31, and because the information in the July 23 response was not in the form and manner requested by the Department, the Department has applied the facts otherwise available to determine the preliminary dumping margin. As facts available, we used the rate from initiation of 49.86 percent. This rate was based on information provided in the petition to calculate normal value and publicly available U.S. Customs import statistics to calculate export price. See *Notice of Initiation*.

Section 776(c) of the Act provides that, when the Department relies on secondary information in using the facts otherwise available, it must, to the extent practicable, corroborate that

information from independent sources that are reasonably at its disposal. The Statement of Administrative Action accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Sess. 870 (1994) ("SAA") clarifies that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value (see SAA at 870). Secondary information is described in the SAA, as "information derived from the petition that gave rise to the investigation or review, the final determination concerning subject merchandise, or any previous review under section 751 concerning the subject merchandise." See SAA at 870.

The Department finds that the estimated margin set forth in the notice of initiation has probative value. In this proceeding, we considered the initiation margin as the most appropriate information on the record upon which to base the dumping calculation. In accordance with section 776(c) of the Act, we sought to corroborate the data contained in the initiation. We reviewed the adequacy and accuracy of the information in the initiation, to the extent appropriate information was available for this purpose. For purposes of the preliminary determination, we attempted to further corroborate the information in the initiation. To the extent practicable, we reexamined the export price and home market price provided in the margin calculations in the initiation in light of information obtained during the investigation and found that it has probative value. See *Preliminary Determination in the Antidumping Investigation of Welded Large Diameter Line Pipe from Mexico: Total Facts Available Corroboration Memorandum for PMT-Tubacero*, dated August 8, 2001.

Verification

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

All-Others Rate

Section 735(c)(5)(B) of the Act provides that, where the estimated weighted-average dumping margins established for all exporters and producers individually investigated are zero or de minimis margins, or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated "all-others" rate for exporters and producers not individually investigated. This provision contemplates that we weight-average margins other than facts available margins to establish the "all others" rate. Where the data do not permit

weight-averaging such rates, the SAA, at 873, provides that we may use other reasonable methods. Because the petition contained only an estimated price-to-price dumping margin, which the Department adjusted for purposes of initiation, there are no additional estimated margins available with which to create the "all others" rate. Therefore, we applied the published margin of 49.86 percent as the "all others" rate.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing Customs to suspend liquidation of all entries of welded large diameter line pipe from Mexico 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 Customs to require a cash deposit or the posting of a bond equal to the amount by which the NV exceeds the EP, as indicated below. These suspension-of-liquidation instructions will remain in effect until further notice. The dumping margins are as follows:

Producer/exporter	Margin (percent)
PMT-Tubacero	49.86
All Others	49.86

ITC Notification

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

Public Comment

Case briefs must be submitted no later than 50 days after the publication of this notice in the **Federal Register**. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Public versions of all comments and rebuttals should be provided to the Department and made available on diskette. Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made

in an investigation, the hearing will tentatively be scheduled for two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. In the event that the Department receives requests for hearings from parties to more than one large diameter line pipe case, the Department may schedule a single hearing to encompass all cases. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

If this investigation proceeds normally, we will make our final determination in this investigation no later than 75 days after the date of this preliminary determination.

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

Dated: August 8, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

North American Free-Trade Agreement, Article 1904 NAFTA Panel Reviews; Request for Panel Review

AGENCY: NAFTA Secretariat, United States Section, International Trade Administration, Department of Commerce.

ACTION: Notice of first request for panel review.

SUMMARY: On August 9, 2001, Tubos de Acero de Mexico, S.A. ("TAMSA") filed a First Request for Panel Review with the United States Section of the NAFTA Secretariat pursuant to Article 1904 of the North American Free Trade Agreement. Panel review was requested of the full sunset review of the antidumping duty order, respecting Oil Country Tubular Goods from Mexico. This determination was published in the **Federal Register** (66 FR 35997) on July 10, 2001. The NAFTA Secretariat

has assigned Case Number USA-MEX-2001-1904-06 to this request.

FOR FURTHER INFORMATION CONTACT:

Caratina L. Alston, United States Secretary, NAFTA Secretariat, Suite 2061, 14th and Constitution Avenue, Washington, DC 20230, (202) 482-5438.

SUPPLEMENTARY INFORMATION: Chapter 19 of the North American Free-Trade Agreement ("Agreement") establishes a mechanism to replace domestic judicial review of final determinations in antidumping and countervailing duty cases involving imports from a NAFTA country with review by independent binational panels. When a Request for Panel Review is filed, a panel is established to act in place of national courts to review expeditiously the final determination to determine whether it conforms with the antidumping or countervailing duty law of the country that made the determination.

Under Article 1904 of the Agreement, which came into force on January 1, 1994, the Government of the United States, the Government of Canada and the Government of Mexico established *Rules of Procedure for Article 1904 Binational Panel Reviews* ("Rules"). These Rules were published in the **Federal Register** on February 23, 1994 (59 FR 8686).

A first Request for Panel Review was filed with the United States Section of the NAFTA Secretariat, pursuant to Article 1904 of the Agreement, on August 9, 2001, requesting panel review of the five-year sunset review of the antidumping duty order described above.

The Rules provide that:

(a) A Party or interested person may challenge the final determination in whole or in part by filing a Complaint in accordance with Rule 39 within 30 days after the filing of the first Request for Panel Review (the deadline for filing a Complaint is September 10, 2001);

(b) A Party, investigating authority or interested person that does not file a Complaint but that intends to appear in support of any reviewable portion of the final determination may participate in the panel review by filing a Notice of Appearance in accordance with Rule 40 within 45 days after the filing of the first Request for Panel Review (the deadline for filing a Notice of Appearance is September 24, 2001); and

(c) The panel review shall be limited to the allegations of error of fact or law, including the jurisdiction of the investigating authority, that are set out in the Complaints filed in the panel review and the procedural and substantive defenses raised in the panel review.