or kind remain to be clarified. We will provide the parties with another opportunity to submit additional information and argument for the final determination. For a complete discussion of the parties' comments, as well as the Department's analysis, see memorandum from Gary Taverman, Acting Director, Office of Antidumping Investigations to Barbara Stafford, Deputy Assistant Secretary for Investigations, dated January 19, 1995.

Regarding the additional issues concerning exclusion of certain products, one party requests that the Department specify that multiplestencilled seamless pipe stencilled to non-subject standards is not covered. Furthermore, this party argues that the scope language should be clarified so that it specifically states that only standard, line, and pressure pipe stencilled to the ASTM A-106, ASTM A-53 or API-5L standards are included, and that we clarify the meaning of "mechanical tubing." In addition, this party requests that the Department exclude unfinished oil country tubular goods, ASTM A-519 pipe (a type of mechanical tubing) and mechanical tube made to customer specifications from the scope of this investigation.

Another party requests that the Department specifically exclude hollow seamless steel products produced in non-pipe sizes (known in the steel industry as tubes), from the scope of this investigation.

Because we currently have insufficient evidence to make a determination regarding these requests, we are not yet in a position to address these concerns. Therefore, for purposes of this preliminary determination, we will not exclude these products from the scope of this investigation. Once again, we will collect additional information and consider additional argument before the final determination.

## **Period of Investigation**

The period of investigation (POI) is January 1, 1994, through June 30, 1994.

#### Such or Similar Comparisons

We have determined that all the products covered by this investigation constitute a single category of such or similar merchandise. We made fair value comparisons on this basis. In this case we only compared identical merchandise on the basis of the criteria defined in Appendix V to the antidumping questionnaire, on file in Room B–099 of the main building of the Department. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we did not make sales comparisons for the reasons outlined below in the "Fair Value Comparisons" section of this notice.

### **Fair Value Comparisons**

Although we found several areas in MSA's response where further clarification and/or information will be required, we believe that much of respondent's data is usable for purposes of the preliminary determination. See Team Concurrence Memorandum dated January 19, 1995. However, our examination of the differences in merchandise (difmer) data provided in MSA's December 9, 1994, supplemental response revealed inconsistencies that make it impracticable for us to use our normal methodology for hyperinflationary economies.

Specifically, in its December 9, 1994, and January 4, 1995, submissions, respondent stated that it reported monthly replacement costs for home market products based on a production month (which also happens to be both the month of shipment and the month of sale). Monthly replacement costs for U.S. products were reported based on a production month equal to the reported month of shipment minus one month (which is not the month of sale). Although respondent's replacement costs were based on inflation-adjusted (UFIR) figures derived directly from its cost accounting system, respondent converted these "indexed" costs into current Brazilian currency (cruzeiros or reais, as appropriate) on the date of shipment, thereby creating a problem of costs not being comparable over time.

Since the January 4, 1995, submission, we did not have sufficient time for purposes of the preliminary determination to collect the necessary information to perform the proper indexation of these figures in accordance with the methodology outlined in Department Policy Bulletin No. 94.5 dated March 25, 1994. Given the lack of usable difmer data, which we believe can be rectified by issuing a second supplemental questionnaire, we made fair value comparisons only with respect to identical merchandise and without regard to difmers.

To determine whether sales of seamless pipe from MSA to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice.

In accordance with past practice, we determine Brazil's economy to be hyperinflationary. See Final Determination of Sales at Less Than Fair Value: Ferrosilicon From Brazil, 59 FR 732, January 6, 1994 (Ferrosilicon). Pursuant to our methodology concerning such an economy, we made contemporaneous sales comparisons based on the month of the U.S. sale. In accordance with 19 C.F.R. 353.58, we made comparisons at the same level of trade, where possible.

# **United States Price**

We based USP on purchase price (PP), in accordance with section 772(b) of the Act, because the subject merchandise was sold to unrelated purchasers in the United States before importation and because exporter's sales price methodology was not otherwise indicated.

We calculated PP based on packed CIF or duty paid, delivered prices to unrelated customers. In accordance with section 772(d)(2)(A) of the Act, we made deductions, where appropriate, for ocean freight and insurance, U.S. brokerage, U.S. import duty and U.S. inland freight. Because respondent incorrectly reported U.S. shipment date based on a date later than when the merchandise was shipped from the factory, we revised U.S. shipment dates so that they appropriately reflect the date the merchandise is shipped from the factory. We believe that it is reasonable to assume that the approximate time difference between the reported U.S. shipment date and the date on which the merchandise left the factory (i.e., upon production) is one month based respondent's December 9, 1994, and January 4, 1995, submissions. We made an adjustment to USP for

We made an adjustment to USP for the taxes paid on the comparison sales in Brazil. In this investigation, there are four levels of taxes levied on sales of the subject merchandise in the home market. The ICMS tax is a regional tax, which varies depending upon the Brazilian state in which the purchase originates. The IPI, PIS and FINSOCIAL taxes are fixed percentage rate taxes. Because these taxes are calculated on the same base price, we find them not to be cascading. Thus, for each sale, we made only one tax adjustment which equals the sum of the actual tax rates. (See Ferrosilicon, 59 FR at 733).

### **Foreign Market Value**

In order to determine whether there were sufficient sales of seamless pipe in the home market to serve as a viable basis for calculating FMV, we compared the volume of home market sales of seamless pipe to the volume of third country sales of seamless pipe in accordance with section 773(a)(1)(B) of the Act. Based on this comparison, we found that the volume of home market sales was greater than five percent of the