

most similar or identical to the merchandise exported to the United States; and (3) Siderca's sales to the PRC were to an OCTG market whose organization and development were similar to that of the U.S. market based on our analysis of the sales and distribution process for those sales. However, petitioner has questioned the legitimacy of certain sales made by Siderca to the Chinese market. The Department intends to scrutinize these sales at verification.

Cost of Production Analysis

Based on the petitioners' allegation that Siderca is selling OCTG in the PRC at prices below its COP, the Department initiated a COP investigation for the PRC sales of Siderca. Although this COP investigation was not initiated until January 13, 1995, Siderca submitted its cost information before this date. The Department was, therefore, able to use this information for purposes of the preliminary determination.

In order to determine whether the third-country prices were above the COP, we calculated the COP based on the sum of Siderca's reported cost of materials, fabrication, general expenses, and packing. We accepted Siderca's cost data without making any adjustments for purposes of the preliminary determination.

Results of COP Analysis

Under our standard practice, where we find that less than 10 percent of a company's sales are at prices below the COP, we disregard any below-cost sales because that company's below-cost sales were not made in substantial quantities. Where we find between 10 and 90 percent of the company's sales were at prices below the COP, and the below-cost sales were made over an extended period of time, we disregard only the below-cost sales. Where we find that more than 90 percent of the company's sales were at prices below the COP, and the sales were made over an extended period of time, we disregard all sales for that product and calculate FMV based on constructed value (CV).

In accordance with section 773(b)(1) of the Act, in order to determine whether below-cost sales were made over an extended period of time, we compare the number of months in which below-cost sales occurred for each product to the number of months in the POI in which that product was sold. If a product was sold in three or more months of the POI, we do not exclude below-cost sales unless there were below-cost sales in at least three months during the POI. When we find that sales of a product only occurred in

one or two months, the number of months in which the sales occurred constituted the extended period of time; i.e., where sales of a product were made in only two months, the extended period of time was two months, where sales of a product were made in only one month, the extended period of time was one month (see the Preliminary Results and Partial Termination of Antidumping Duty Administrative Review: Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan (58 FR 69336, 69338, December 10, 1993).

Based on this preliminary analysis, none of Siderca's PRC sales were found to be below cost. Accordingly, we calculated FMV based on packed, FOB and C&F prices to unrelated customers in the PRC. In light of the Court of Appeals for the Federal Circuit's (CAFC) decision in *Ad Hoc Committee of AZ-NM-TX-FL Producers of Gray Portland Cement v. United States*, Slip. Op. 93-1239 (Fed. Cir., January 4, 1994), the Department no longer can deduct third country market movement charges from FMV pursuant to its inherent power to fill in gaps in the antidumping statute. Instead, we will adjust for those expenses under the circumstance-of sale provision of 19 CFR 353.56(a), as appropriate. Accordingly, in the present case, we deducted from FMV the following direct selling expenses pursuant to 19 CFR 353.56(a): foreign loading charges, foreign inland freight and ocean freight.

We also made deductions from gross unit price, where appropriate, for credit expense, commissions and warranties. We deducted indirect selling expenses, including, where appropriate, technical services, inventory carrying costs and other indirect selling expenses, up to the amount of indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2). We deducted third-country packing costs and added U.S. packing costs. Finally, we added duty drawback and duties uncollected by reason of exportation.

For certain sales, Siderca had not yet shipped or received payment for the sale. In order to calculate credit expenses, we applied the same methodology described above for USP.

Currency Conversion

Because certified exchange rates for Argentina were unavailable from the Federal Reserve, we made currency conversions for expenses denominated in Argentine pesos based on the official monthly exchange rates in effect on the dates of the U.S. sales as published by the International Monetary Fund.

Verification

As provided in section 776(b) of the Act, we will verify the information used in making our final determination.

Suspension of Liquidation

In accordance with section 733(d)(1) (19 U.S.C. 1673b(d)(1)) of the Act, we are directing the Customs Service to suspend liquidation of all entries of OCTG from Argentina, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**.

The Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margin, as shown below. The suspension of liquidation will remain in effect until further notice.

Producer/manufacturer/exporter	Margin percentage
Siderca S.A.I.C	0.61
All others	0.61

Postponement of Final Determination

On December 16, 1994, in accordance with 19 CFR 353.20(b), Siderca requested that, in the event of an affirmative determination, the Department postpone the final determination. We find no compelling reason to deny the request. Accordingly, we are postponing the date of the final determination until not later than 135 days after the date of publication of this notice.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary determination.

If our final determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies may be submitted by any interested party to the Assistant Secretary for Import Administration no later than April 21, 1995, and rebuttal briefs no later than April 28, 1995. We request that parties in this case provide an executive summary of no more than two pages in conjunction with case briefs on the major issues to be addressed. Further, briefs should