accounted for at least 60 percent of exports of OCTG from Korea during the period of investigation.

On August 26, 1994, the Department sent antidumping duty questionnaires to HSP and Union pursuant 19 CFR 353.42(b)(1). On September 9, 1994, Union informed the Department that it would not be responding to the Department's questionnaire due to resource constraints.

The Department received HSP's questionnaire responses in September and October 1994 and in January 1995. The Department received deficiency questionnaire responses in October and November 1994.

On September 29, 1994, the Department determined that HSP's home market was not viable within the meaning of 773(a)(1)B of the Act and 19 CFR 353.48 and that Canada was the appropriate third-country market for this investigation.

On October 17, 1994, and November 3, 1994, the petitioners alleged that HSP was selling OCTG to Canada at less than its cost of production (COP). On November 28, 1994, the Department initiated a COP investigation against HSP (see the November 28, 1994, memorandum from Richard W. Moreland to Barbara R. Stafford).

On November 10, 1994, Maverick Tube Corp., Bellville Tube Corp., and IPSCO Steel Pipe Inc. (the petitioners), made a timely request that the Department postpone the preliminary determination in accordance with section 733(c)(1) of the Act (19 U.S.C. 1673b(c)(1)), and 19 CFR 353.15(c). We did so on November 15, 1994 (59 FR 60130, November 22, 1994).

On January 12, 1995, HSP requested that the final determination be postponed in accordance with 19 CFR 353.20(b) in the event of an affirmative preliminary determination.

Scope of Investigation

For purposes of this investigation, OCTG are hollow steel products of circular cross-section, including oil well casing, tubing, and drill pipe, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). This investigation does not cover casing, tubing, or drill pipe containing 10.5 percent or more of chromium. The OCTG subject to this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers:

7304.20.10.00, 7304.20.10.10, 7304.20.10.20, 7304.20.10.30, 7304.20.10.40, 7304.20.10.50, 7304.20.10.60, 7304.20.10.80, 7304.20.20.00, 7304.20.20.10, 7304.20.20.20, 7304.20.20.30, 7304.20.20.40, 7304.20.20.50, 7304.20.20.60, 7304.20.20.80, 7304.20.30.00, 7304.20.30.10, 7304.20.30.20, 7304.20.30.30, 7304.20.30.40, 7304.20.30.50, 7304.20.30.60, 7304.20.30.80, 7304.20.40.00, 7304.20.40.10, 7304.20.40.20, 7304.20.40.30, 7304.20.40.40, 7304.20.40.50, 7304.20.40.60, 7304.20.40.80, 7304.20.50.10, 7304.20.50.15, 7304.20.50.30, 7304.20.50.45, 7304.20.50.50, 7304.20.50.60, 7304.20.50.75, 7304.20.60.10, 7304.20.60.15, 7304.20.60.30, 7304.20.60.45, 7304.20.60.50, 7304.20.60.60, 7304.20.60.75, 7304.20.70.00, 7304.20.80.00, 7304.20.80.30, 7304.20.80.45, 7304.20.80.60, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.20.10.30, 7306.20.10.90, 7306.20.20.00, 7306.20.30.00, 7306.20.40.00, 7306.20.60.10, 7306.20.60.50, 7306.20.80.10, and 7306.20.80.50.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Period of Investigation

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

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994.

Best Information Available

We have determined, in accordance with section 776(c) of the Act (19 U.S.C. 1677e(c)), that the use of best information available (BIA) is appropriate for sales of the subject merchandise by Union. In deciding whether to use BIA, section 353.37(b) provides that the Department may take into account whether a party refused or was unable to produce information in a timely manner. In this case, Union refused to provide the information requested.

In determining what to use as BIA, the Department follows a two-tiered methodology whereby the Department normally assigns lower margins to those respondents who cooperate in an investigation, and margins based on more adverse assumptions for those

respondents who do not cooperate in an investigation.

In this case, because Union failed to respond to the Department's questionnaire, we find that it has not cooperated in this investigation. Accordingly, under our BIA methodology, uncooperative respondents are assigned the higher of the highest margin alleged in the petition or the highest rate calculated for another respondent. In this instance, we are assigning the highest margin among the margins alleged in the petition (see, Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the Federal Republic of Germany: Final Determination of Sales at Less Than Fair Value (54 FR 18992, 19033, May 3, 1989)). The Department's two-tier methodology for assigning BIA based on the degree of the respondents' cooperation has been upheld by the U.S. Court of Appeals for the Federal Circuit (see Allied-Signal Aerospace Co. v. the United States, Slip Op. 93-1049 (Fed Cir. June 22, 1993); see also Krupp Stahl AG. et al v. the United States, Slip Op. 93-84 (CIT May 26, 1993)).

Such or Similar Comparisons

We have determined for purposes of the preliminary determination that the OCTG covered by this investigation comprises a single category of "such or similar" merchandise within the meaning of section 771(16) of the Act. All comparisons of U.S. to third-country sales involved identical merchandise.

Fair Value Comparisons

To determine whether HSP's sales of OCTG from Korea 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.

United States Price

We based USP on exporter's sales price (ESP), in accordance with section 772(c) of the Act, because the subject merchandise was sold to the first unrelated purchaser after importation into the United States.

We calculated ESP based on packed, ex-U.S. warehouse prices to unrelated customers in the United States. We made deductions from gross unit price, where appropriate, for foreign brokerage charges, foreign inland freight, ocean freight, marine insurance, U.S. duty, U.S. inland freight, U.S. brokerage, wharfage fees, credit expense, and U.S. and foreign indirect selling expenses, including inventory carrying costs and