USX Corporation) and USS/Kobe Steel Company, (the petitioners), timely requested 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 25, 1995, Kindberg requested that, in the event of an affirmative preliminary determination, the Department postpone the final determination in accordance with 19 CFR 353.20(b)(1).

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 scope does not cover casing, tubing, or drill pipe containing 10.5 percent or more of chromium. The OCTG subject to this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTS) 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.

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.

The respondent reported sales of both identical and similar merchandise in Russia during the POI. Where there were no sales of identical merchandise in the third country to compare to U.S. sales, we made similar merchandise comparisons on the basis of the characteristics listed in Appendix V of the Department's antidumping questionnaire. However, we modified the matching hierarchy in Appendix V so that, whenever possible, U.S. sales of OCTG tubing would be matched to Russian sales of OCTG tubing and U.S. sales of OCTG casing would be matched to Russian sales of OCTG casing, by making that the primary matching criterion. We also took into account Kindberg's sales of proprietary finishing grades, by including minimum/ maximum yield strengths and tensile strengths as a criterion in the matching hierarchy. Thus we made similar merchandise comparisons on the basis of: (1) Whether OCTG is casing or tubing, (2) whether OCTG is seamless or welded; (3) the grade of OCTG finish; (4) the minimum/maximum yield strength and tensile strength, (5) end finish; (6) outside diameter, (7) OCTG length, (8) full-body normalization; and (9) wall thickness (see the January 20, 1995, memorandum from William Crow to David Binder for detailed discussion of the product analysis). Kindberg had incorrectly reported multiple costs instead of one POI cost for unique products. After weight-averaging the multiple costs reported for unique products to derive single POI costs specific to each product model, we made adjustments, where appropriate, for differences in the physical characteristics of the merchandise, in accordance with 773(a)(4)(C) of the Act.

Fair Value Comparisons

To determine whether Kindberg's sales of OCTG from Austria 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 purchase price, in accordance with section 772(b) of the Act, because the subject merchandise was sold to an unrelated purchaser before importation into the United States and because exporter's sales price methodology was not otherwise indicated. We calculated USP on the basis of packed CIF Houston, duty paid prices to unrelated customers. In accordance with section 772(d)(2)(A) of the Act, we made deductions from U.S. price, where appropriate, for foreign brokerage charges, foreign inland freight, ocean freight, foreign inland and marine insurance, and U.S. duty.

Foreign Market Value

We compared the volume of home market sales of subject merchandise to the volume of third country sales to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating FMV, in accordance with section 773(a)(1)(B) of the Act. Pursuant to 19 CFR 353.48, we found that the home market was not viable because it represented less than five percent of the amount sold to third countries. We therefore based FMV on third country sales.

We determined, pursuant to 19 CFR 353.49(b), that Russia is the most appropriate third country market because: (1) The merchandise exported to Russia is most similar or identical to the merchandise exported to the United States; (2) the volume of Kindberg's Russian sales during the POI was the largest of any third country; and (3) Kindberg's sales to Russia were to an OCTG market whose organization and developement were similar to that of the U.S. market, based on our analysis of the sales and distribution process for those sales.

Cost of Production Analysis

As stated above, based on the petitioners' allegation that Kindberg was selling OCTG in Russia at prices below its COP, the Department initiated a COP investigation for the Russian sales of Kindberg. In order to determine whether the third country prices were above Kindberg's COP, we calculated the COP based on the sum of Kindberg's cost of