goods (OCTG) from Spain are not being sold in the United States at less than fair value, as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). We have calculated a preliminary margin of zero percent for Spanish OCTG sold in the United States during the period of investigation.

### Case History

Since the initiation of this investigation on July 27, 1994, (59 FR 37962, July 20, 1994), the following events have occurred.

On August 15, 1994, the U.S. International Trade Commission (ITC) issued an affirmative preliminary injury determination in this proceeding (see ITC Investigation No. 731–TA–717).

On August 26, 1994, the Department of Commerce (the Department) issued an antidumping questionnaire to Tubos Reunidos S.A. (TR), and an antidumping survey to Tubacex S.A. On September 9, 1994, we received a letter from Tubacex S.A. stating that it did not sell the subject merchandise to the United States during the period of investigation. On September 27, 1994, the Department selected TR as the sole mandatory respondent in the investigation. TR accounts for at least 60 percent of exports of OCTG from Spain during the period of investigation. TR submitted responses to our questionnaire in September and October 1994, and responses to our deficiency questionnaires in November and December 1994.

On November 10, 1994, Koppel Steel Corporation, U.S. Steel Group (a unit of 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 CFR 353.15(c)(1994)). We did so on November 15, 1994 (59 FR 60130, November 22, 1994).

On November 2, 1994, the petitioners alleged that TR was selling the subject merchandise in third country markets at below its cost of production. On January 5, 1995, the Department determined that TR's home market was not viable within the meaning of section 773(a)(1)(b) of the Act and 19 CFR 353.48. On January 5, 1995, the Department selected India as the third country market for this investigation (see January 5, 1995, memorandum from David L. Binder to Gary Taverman). After analyzing the petitioners' allegation, we found reasonable grounds to believe or suspect that sales in India were being made at less than the cost of production. Consequently, on January 9, 1995, the Department initiated an investigation of sales below cost for TR's sales to India,

in accordance with section 773(b) of the Act and 19 CFR 353.51. On January 11, 1995, we issued Section D of the antidumping questionnaire concerning cost of production to TR.

On January 26, 1995, in accordance with 19 CFR 353.20(b), respondent requested that, in the event of an affirmative preliminary determination by the Department, the Department postpone the final determination. However, because this preliminary determination is negative, the criteria for a postponement of the final determination under 19 CFR 353.20(b)(1) have not been met. Accordingly, the final determination has not been postponed.

#### 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 HTS 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(b) of the Act.

The respondent reported sales of both identical merchandise and similar merchandise in India during the POI. Where there were sales of similar merchandise in the third country market to compare to U.S. sales, we made comparisons on the basis of the characteristics listed in Appendix V of the Department's questionnaire. However, we modified the matching hierarchy in Appendix V so that sales of Indian casing would first be matched to sales of U.S. casing. 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; (4) endfinish (5) outside diameter, (6) OCTG length (7) full-body normalization and (8) wall thickness. TR 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, the Department used TR's reported costs to adjust for physical differences in merchandise.

#### Fair Value Comparisons

To determine whether sales of OCTG from Spain 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. When comparing the U.S. sales to sales of similar merchandise in the third country market, we made adjustments for differences in physical characteristics, pursuant to 19 CFR 353.57.