

as potential substitutes used in the same applications as products meeting the requisite ASTM specifications may fall within the same class or kind, and within the scope of any order issued in this investigation. However, we are well aware of the difficulties involved with requiring end-use certifications, particularly the burdens placed on the Department, the U.S. Customs Service, and the parties. We will strive to simplify any procedures used in this regard. We will, therefore, carefully consider any comment on this issue for purposes of our final determination.

Regarding the class or kind issue, although respondents propose dividing the scope of this investigation into two classes or kinds of merchandise, they do not agree on the merchandise characteristics that will define the two classes. The respondents in the Brazilian and German investigations argue that the scope should be divided into two classes or kinds based on the material composition of the pipe—carbon versus alloy. The respondent in the Argentine investigation argues that the scope should be divided into two classes or kinds of merchandise based on size. Petitioner maintains that the subject merchandise constitutes a single class or kind.

We have considered the class or kind comments of the interested parties and have analyzed this issue based on the criteria set forth by the Court of International Trade in *Diversified Products v. United States*, 6 CIT 155, 572 F. Supp. 883 (1983). These criteria are as follows: (1) The general physical characteristics of the merchandise; (2) the ultimate use of the merchandise; (3) the expectations of the ultimate purchasers; (4) the channels of trade; and (5) cost.

We note that certain differences exist between the physical characteristics of the various products (e.g., size, composition). In addition, there appear to be cost differences between the various products. However, the information on record is not sufficient to justify dividing the class or kind of merchandise. The record on ultimate use of the merchandise and the expectations of the ultimate purchasers indicates that there is a strong possibility that there may be overlapping uses because any one of the various products in question may be used in different applications (e.g., line and pressure pipe). Also, based upon the evidence currently on the record, we determine that the similarities in the distribution channels used for each of the proposed classes of merchandise outweigh any differences in the distribution channels.

In conclusion, while we recognize that certain differences exist between the products in the proposed class or kind of merchandise, we find that the similarities are more significant. Therefore, for purposes of this preliminary determination, we will continue to consider the scope as covering one class or kind of merchandise. This preliminary decision is consistent with past cases concerning steel pipe products. (See e.g., *Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe From Brazil et. al.*, 57 FR 42940, September 17, 1992). However, a number of issues with respect to class 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 multiple-stencilled 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 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 accordance with the Department's standard methodology, we first compared identical merchandise. Referencing Appendix V of our questionnaire, Dalmine states that the specifications for the merchandise exported to the United States are identical to the specifications for the merchandise sold in the home market. Dalmine further claims that triple-stencilled merchandise sold in the U.S. market is identical to single-stencilled merchandise sold in the home market. We have accepted Dalmine's assertions for purposes of this preliminary determination. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, or where, according to respondent, comparisons of similar merchandise would result in differences-in-merchandise adjustments exceeding 20 percent, we made comparisons on the basis of constructed value (CV) because there was no comparable merchandise sold in the home market based on the criteria in Appendix V to the antidumping questionnaire, on file in Room B-099 of the main building of the Department.

### Fair Value Comparisons

To determine whether sales of seamless pipe from Dalmine 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 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 FOB U.S. port prices to unrelated customers. In accordance with section 772(d)(2)(A) of the Act, we made deductions, where appropriate, for foreign inland freight, ocean freight,