Preliminary Results of Review

As a result of our review, we preliminarily determine the weighted-average dumping margins (in percent) for the period April 28, 1992, through October 31, 1993 to be as follows:

Company	Margin (percent)
Dongbu Steel Co., Ltd.	3.37
Korea Iron Steel Company	8.20
Korea Steel Pipe Co., Ltd	14.13
Pusan Steel Pipe Co., Ltd.	11.21
Union Steel Co., Ltd.	0.76

Parties to this proceeding may request disclosure within 5 days of the date of publication of this notice. Any interested party may request a hearing within 10 days of the date of publication of this notice. A hearing, if requested, will be held at 10 AM on August 4, 1997 in room 1412 in the main Commerce Department building.

Issues raised in the hearing will be limited to those raised in the respective briefs and rebuttal briefs. Briefs from interested parties regarding Dongbu, KISCO, Union, and general comments may be submitted not later than 30 days from the date of publication of these preliminary results, and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted not later than 37 days from the date of publication of these preliminary results. As noted above, KSP-specific and PSP-specific comments and rebuttals are due on July 25, 1997 and August 1, 1997, respectively. Parties who submit briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. The Department will subsequently publish the final results of this administrative review, including the results of its analysis of issues raised in any written briefs or hearings.

Furthermore, the following deposit requirements will be effective upon publication of the final results of review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(1) of the Tariff Act: (1) The cash deposit rates for the reviewed companies will be the rates determined in the final results of review; (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 4.80 percent, the ''All Others'' rate made effective by the amended final determination of the LTFV investigation published on November 3, 1995 (see Circular Welded Non-Alloy Steel Pipe from Korea: Notice of Final Court Decision and Amended Final Determination, 60 FR 55833 (November 3, 1995)).

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Because the inability to link sales with specific entries prevents entry-by-entry assessments, we will calculate wherever possible an exporter/importer-specific assessment rate.

With respect to PP sales for these preliminary results, we divided the total dumping margins for the reviewed sales (calculated as the difference between FMV and USP) for each importer by the total volume sold to that importer during the POR. We will direct Customs to assess the resulting per-ton dollar amount against each ton of merchandise in each of that importer's entries during the review period. Although this will result in assessing different percentage margins for individual entries, the total antidumping duties collected for each importer for the review period will approximately equal the total dumping margins.

For ESP sales, we divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. We will direct Customs to assess the resulting percentage margin against the entered Customs values for the subject merchandise on each of that importer's entries during the review period. While the Department is aware that the entered value of sales during the POR is not necessarily equal to the entered value of entries during the POR, use of entered value of sales as the basis of the assessment rate permits the Department to collect a reasonable approximation of the antidumping duties which would have been determined if the Department had reviewed those sales of merchandise actually entered during the POR. See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews, 61 FR 66,472 (December 17, 1996).

This notice also serves as a reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and this notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: June 16, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–17953 Filed 7–8–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–601]

Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Preliminary Results of Antidumping Administrative Review and Partial Termination of Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of preliminary results of antidumping duty administrative review of tapered roller bearings and parts thereof, finished and unfinished, from the People's Republic of China and partial termination of administrative review.

SUMMARY: In response to requests by the petitioner and by Peer Bearing Company/Chin Jun Industrial, Ltd. (Chin Jun), the Department of Commerce is conducting an administrative review of the antidumping duty order on tapered roller bearings and parts thereof, finished and unfinished, from the People's Republic of China. The period of review is June 1, 1995, through May 31, 1996.

Although we included Shanghai General Bearing Co., Ltd. in our initiation notice, we subsequently revoked the order with regard to this respondent. Therefore, we are terminating this review with respect to this respondent (see Background section below).

We have preliminarily determined that sales have been made below normal

value by various companies subject to this review. If these preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs to assess antidumping duties on all appropriate entries.

We invite interested parties to comment on these preliminary results. Parties who submit comments in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: July 9, 1997.

FOR FURTHER INFORMATION CONTACT: Thomas O. Barlow or the appropriate case analyst, for the various respondent firms listed below, at Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482–4733: Andrea Chu: Jilin Machinery Import & Export Corporation (Jilin), Wanxiang Group Corporation (Wanxiang), China National Machinery & Equipment Import & Export Corporation (CMEC); Mike Panfeld: Xiangfan Machinery Foreign Trade Corporation (formerly Xiangfan International Trade Corporation) (Xiangfan), China National Automotive Industry Import & Export Corporation (Guizhou Automotive), Chin Jun; Charles Riggle: Shandong Machinery & Equipment Import & Export Corporation (Shandong), Tianshui Hailin Import & Export Corporation (Hailin), Zhejiang Machinery Import & Export Corporation (Zhejiang); Tom Schauer: Premier Bearing & Equipment, Ltd. (Premier), Shanghai General Bearing Co. Ltd. & General Bearing Corporation (Shanghai), Guizhou Machinery Import & Export Corporation (Guizhou Machinery); Kristie Strecker: China National Machinery Import & Export Corporation (CMC), Luoyang Bearing Factory (Luoyang), Liaoning MEC Group Co., Ltd. (Liaoning), Hangzhou Metals, Mineral, Machinery & Chemical Import Export Corp. (Hangzhou), China Great Wall Industry Corp. (Great Wall).

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, all references to the Department's regulations are to 19 CFR 353 (1997).

Background

On May 27, 1987, the Department of Commerce (the Department) published in the **Federal Register** (52 FR 19748) the antidumping duty order on tapered roller bearings and parts thereof, finished and unfinished (TRBs), from the People's Republic of China (PRC). On June 6, 1996, we published a notice of opportunity to request an administrative review of the order for the period June 1, 1995 through May 31, 1996 (61 FR 28840). In accordance with 19 CFR 353.22(a), the petitioner, The Timken Company, and Chin Jun requested that we conduct an administrative review. On August 8, 1996, in accordance with 19 CFR 353.22(c), we published a notice of initiation of this antidumping duty administrative review (61 FR 41374) for the period of review (POR) June 1, 1995, through May 31, 1996 (the 9th review period).

On August 12, 1996, we sent a questionnaire to the secretary general of the Basic Machinery Division of the Chamber of Commerce for Import & Export of Machinery and Electronics Products (CCCME) and requested that the CCCME identify all companies that manufactured or exported the subject merchandise during the POR. We also requested that the questionnaire be forwarded to all PRC companies identified in our initiation notice for which we did not have addresses. In this letter we also requested information relevant to the issue of whether the companies named in the initiation request are independent from government control. *See Separate Rates* below. Finally, on September 20, 1996, we sent questionnaires directly to the PRC companies for which we had addresses on the record. We also sent questionnaires to the Hong Kong companies listed in our initiation notice, using addresses supplied in the petitioner's initiation request as well as information from the Hong Kong branch of the U.S. & Foreign Commercial Service.

We received responses to our questionnaire from the following 15 of the 324 companies named in the initiation notice: Jilin, Wanxiang, Xiangfan, Guizhou Automotive, Chin Jun, Shandong, Hailin, Zhejiang, Premier, Guizhou Machinery, CMC, Luoyang, Shanghai, CMEC and Liaoning.

We also received a response to the Separate Rates section of the questionnaire from one company, Hangzhou, that was not named in the initiation notice but which was included in the review by virtue of the fact that our initiation was conditionally intended to include, in addition to companies specifically named, all exporters of TRBs from the PRC which were not entitled to rates separate from the PRC entity. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation In Part*, 61 FR 41373, 41380 (August 8, 1996).

In addition, we received a response to the Separate Rates section of the questionnaire from Great Wall, which had received a separate rate in the 1994–95 review, but for which no review had been requested for the 1995–96 period. Because we are not reviewing Great Wall's entries for this POR we need not reconsider its separate-rates status at this time. Great Wall's rate will continue to be 25.56 percent, the rate established for that firm in the 1994–95 review.

Shanghai was included by name in our notice of initiation of this review. However, on February 11, 1997, we published a notice of revocation of the order with respect to Shanghai (62 FR 6189). Therefore, we are terminating this review with respect to Shanghai.

The Department is now conducting this administrative review in accordance with section 751 of the Act.

Scope of Review

Merchandise covered by this review includes TRBs and parts thereof, finished and unfinished, from the PRC. This merchandise is classifiable under the *Harmonized Tariff Schedule* (HTS) item numbers 8482.20.00, 8482.91.00.60, 8482.99.30, 8483.20.40, 8483.20.80, 8483.30.80, 8483.90.20, 8483.90.30 and 8483.90.80. Although the HTS item numbers are provided for convenience and customs purposes, our written description of the scope of the order and this review is dispositive.

Verification

As provided in section 782(i) of the Act, we verified information provided by CMC, Guizhou Machinery, Liaoning and Luoyang, using standard verification procedures, including on-site inspection of manufacturers' facilities, the examination of relevant sales and financial records, and selection of original documentation containing relevant information. Because of the large number of producers and resellers included in this review and the limited resources available to the Department, it was impractical to verify factual information for each company. In accordance with 19 CFR 353.36(a)(B) of the regulations, we selected for verification companies for which we had conducted no verification during either of the two immediately preceding reviews. Our verification results are outlined in the

public versions of the verification reports.

Separate Rates

1. Background and Summary of Findings

It is the Department's standard policy to assign all exporters of the merchandise subject to review in non-market-economy (NME) countries a single rate unless an exporter can demonstrate an absence of government control, both in law and in fact, with respect to exports. To establish whether an exporter is sufficiently independent of government control to be entitled to a separate rate, the Department analyzes the exporter in light of the criteria established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China* (56 FR 20588, May 6, 1991) (*Sparklers*), as amplified in the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China* (59 FR 22585, May 2, 1994) (*Silicon Carbide*). Evidence supporting, though not requiring, a finding of de jure absence of government control over export activities includes: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies. *See Sparklers* at 20589. Evidence relevant to a *de facto* analysis of absence of government control over exports is based on four factors—whether the respondent: (1) sets its own export prices independent from the government and other exporters; (2) can retain the proceeds from its export sales; (3) has the authority to negotiate and sign contracts; and (4) has autonomy from the government regarding the selection of management. *See Silicon Carbide* at 22587; *see also Sparklers* at 20589.

The Department determined in prior reviews that Guizhou Machinery, Jilin, Luoyang, Liaoning, Guizhou Automotive, CMC, Hailin, Zhejiang, Xiangfan, Shandong and Wanxiang were entitled to separate rates. *See, e.g., Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results and Partial Termination of Antidumping Administrative Review,* 62 FR 6173 (February 11, 1997). Information submitted by these companies for the record in the current review is consistent with these findings. Further, there have been no allegations regarding changes in control of these companies in this review. Therefore, we preliminarily determine that the government does not exercise control over the export activities of these firms.

As shown below, Hangzhou also meets both the *de jure* and *de facto* criteria and is entitled, therefore, to a separate rate (*see De Jure Analysis* and *De Facto Analysis, infra).* Accordingly, we preliminarily determine to apply a rate separate from the PRC rate to Hangzhou.

Finally, we note that Premier and Chin Jun are privately owned Hong Kong trading companies. Because we have determined that these firms, rather than their PRC-based suppliers, are the proper respondents with respect to their sales of TRBs to the United States, no separate-rates analyses of Premier's and Chin Jun's suppliers are necessary.

2. De Jure Analysis: Hangzhou

Information submitted during this review indicates that Hangzhou is owned ''by all of the people.'' In *Silicon Carbide* (at 22586), we found that the PRC central government had devolved control of state-owned enterprises, *i.e.,* enterprises owned ''by all of the people.'' As a result, we determined that companies owned ''by all of the people'' were eligible for individual rates if they met the criteria developed in *Sparklers* and *Silicon Carbide*.

The following laws, which have been placed on the record in this case, indicate a lack of *de jure* government control over these companies, and establish that the responsibility for managing companies owned by ''all of the people'' has been transferred from the government to the enterprises themselves. These laws include: ''Law of the People's Republic of China on Industrial Enterprises Owned by the Whole People,'' adopted on April 13, 1988 (1988 Law); ''Regulations for Transformation of Operational Mechanism of State-Owned Industrial Enterprises,'' approved on August 23, 1992 (1992 Regulations); and the ''Temporary Provisions for Administration of Export Commodities,'' approved on December 21, 1992 (Export Provisions). The 1988 Law states that enterprises have the right to set their own prices (*see* Article 26). This principle was restated in the 1992 Regulations (*see* Article IX). Finally, the 1992 ''Temporary Provisions for Administration of Export Commodities'' list those products subject to direct government control. TRBs do not appear on this list and are not subject, therefore, to the constraints of these provisions.

Consistent with *Silicon Carbide*, we preliminarily determine that the existence of these laws demonstrates that Hangzhou, a company owned by ''all of the people,'' is not subject to *de jure* government control with respect to export activities. In light of reports [1] indicating that laws shifting control from the government to the enterprises themselves have not been implemented uniformly, an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to government control with respect to export activities.

3. De Facto Analysis: Hangzhou

After we reviewed Hangzhou's original response to the separate-rates section of our questionnaire we sent a supplemental questionnaire in order to obtain additional information necessary for our determination of Hangzhou's eligibility for a separate rate. The following record evidence, which is contained in the questionnaire responses, indicates a lack of *de facto* government control over the export activities of Hangzhou. We have found that this respondent's pricing and export strategy decisions with respect to subject merchandise are not subject to any entity's review or approval and that there are no government policy directives that affect these decisions. There are no restrictions on the use of this respondent's revenues or profits, including export earnings.

The company's general manager or chairman of the board has the right to negotiate and enter into contracts, and he may delegate this authority to other employees within the company. There is no evidence that this authority is subject to any level of governmental approval.

The general manager is elected by an employees' assembly consisting of representatives of Hangzhou's employees. The representatives are elected by the general employees. The results of Hangzhou's management elections are recorded with the Foreign Trade and Economic Cooperation Commission. There is no evidence that this commission controls the selection process or that it has rejected a general manager selected through the election process.

Decisions made by Hangzhou concerning purchases of subject

[1] *See* ''PRC Government Findings on Enterprise Autonomy,'' in Foreign Broadcast Information Service—China—93–133 (July 14, 1993), and 1992 Central Intelligence Agency Report to the Joint Economic Committee, Hearings on Global Economic and Technological Change: Former Soviet Union and Eastern Europe and China, Pt. 2 (102 Cong., 2d Sess.).

merchandise from other suppliers are not subject to government approval. Finally, Hangzhou's sources of funds are its own savings or bank loans, and it has sole control over, and access to, its bank accounts, which are held in Hangzhou's own name.

Based on the foregoing analysis of the evidence of record, we find no evidence of either *de jure* or *de facto* government control over the export activities of Hangzhou. Accordingly, we preliminarily determine that Hangzhou is not part of the ''PRC enterprise'' under review and is entitled to a separate rate. Because no interested party requested a review of Hangzhou, it is not subject to this review. Therefore, consistent with our established practice, we have not reviewed Hangzhou's entries during the 1995–96 POR. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results and Partial Termination of Antidumping Duty Administrative Review*, 62 FR 6173, 6176 (February 11, 1997). Hangzhou's rate will remain 29.40 percent, the rate assigned to it as a part of the PRC entity in the 1994–95 review.

4. Separate-Rate Determinations for Non-Responsive Companies

We have determined that those companies for which we initiated a review and which did not respond to the questionnaire do not merit separate rates. *See Use of Facts Otherwise Available*, below.

Use of Facts Otherwise Available

We preliminarily determine that, in accordance with section 776(a) of the Act, the use of partial facts available is appropriate for Chin Jun, Premier, Guizhou Machinery and Shandong and the use of total facts available is appropriate for Hailin, Guizhou Automotive, Jilin, CMEC and all companies which have not shown that they are independent of government control and which did not respond to our requests for information. Furthermore, we determine that, pursuant to section 776(b) of the Act, it is appropriate to make inferences adverse to the interests of the non-responding companies because they failed to cooperate by not responding to the best of their abilities.

Where the Department must base its determination on facts available because that respondent failed to cooperate by not acting to the best of its ability to comply with a request for information, section 776(b) of the Act authorizes the Department to use inferences adverse to the interests of that respondent in choosing facts available. Section 776(b) of the Act also authorizes the Department to use as adverse facts available information derived from the petition, the final determination, a previous administrative review, or other information placed on the record. Information from prior segments of the proceeding constitutes secondary information and section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate that secondary information from independent sources reasonably at its disposal. The Statement of Administrative Action (SAA) provides that ''corroborate'' means simply that the Department will satisfy itself that the secondary information to be used has probative value. (*See* H.R. Doc. 316, Vol. 1, 103d Cong., 2d Sess. 870 (1994).)

To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. However, unlike other types of information, such as input costs or selling expenses, there are no independent sources for calculated dumping margins. Thus, in an administrative review, if the Department chooses as total adverse facts available a calculated dumping margin from a prior segment of the proceeding, it is not necessary to question the reliability of the margin for that time period. With respect to the relevance aspect of corroboration, however, the Department will consider information reasonably at its disposal as to whether there are circumstances that would render a margin inappropriate. Where circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin (*see, e.g., Fresh Cut Flowers from Mexico; Final Results of Antidumping Duty Administrative Review*, 61 FR 6812, 6814 (Feb. 22, 1996) (where the Department disregarded the highest margin as adverse facts available because the margin was based on another company's uncharacteristic business expense resulting in an unusually high margin)).

1. *Companies that did not respond to the questionnaire:* We have preliminarily assigned a margin of 29.40 percent to those companies for which we initiated a review and which did not respond to the questionnaire. This margin, calculated for sales by Wafangdian Bearing Factory during the 1994–95 review, represents the highest overall margin calculated for any firm during any segment of this proceeding. As discussed above, it is not necessary to question the reliability of a calculated margin from a prior segment of the proceeding. Further, there are no circumstances indicating that this margin is inappropriate as adverse facts available. Therefore, we preliminarily find that the 29.40 percent rate is corroborated. As noted in the *Separate Rates* section above, we have also determined that the non-responsive companies do not merit separate rates. Therefore, the facts available for these companies forms the basis for the PRC rate, which is 29.40 percent for this review.

2. *CMEC:* The Department determined in the original investigation of this case that CMEC was entitled to a separate rate. *See Tapered Roller Bearings From the People's Republic of China; Final Determination of Sales at Less Than Fair Value*, 52 FR 19748 (May 27, 1987), and *Tapered Roller Bearings From the People's Republic of China; Amendment to Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order in Accordance With Decision Upon Remand*, 55 FR 6669 (February 26, 1990). However, the Department made the prior separate-rate determination before the development of its amplified analysis in *Silicon Carbide*, which added *de facto* criteria (3) and (4) noted above. Accordingly, for these preliminary results we have examined these two additional criteria with respect to CMEC. Because CMEC failed in its supplemental questionnaire response to provide information concerning the company's management-selection process, we are unable to determine that CMEC meets the *de facto* standards which would indicate an absence of government control. Therefore, we preliminarily determine that CMEC is not entitled to a separate rate and have applied the PRC rate of 29.40 percent.

3. *Jilin:* Jilin provided sufficient information in response to the separate rates section of our questionnaire for us to determine that it is entitled to a separate rate for this review. However, because Jilin did not provide information related to factors of production or to its U.S. sales during the POR as we requested, section 776(a) of the Act requires us to use the facts otherwise available in determining Jilin's margin for the 1995–96 review. Section 776(b) of the Act allows us to use an adverse inference in selecting from the facts otherwise available. As adverse facts available, we have selected 29.40 percent, the highest overall margin calculated in any segment of this proceeding.

4. *Premier:* Premier provided factors data from its suppliers for some models which it sold to the United States. For

a majority of its U.S. sales (see Analysis Memo from analyst to the file, June 23, 1997), Premier, a Hong Kong-based reseller, stated that it was unable to provide factors data from any of its PRC suppliers. However, for some models involved in those sales, Premier provided factors data from other PRC suppliers of the same models. For the remainder of its U.S. sales, Premier reported no factors data.

We have determined that there is little variation in factor-utilization rates among the TRB producers from which we have received factors-of-production data. For this reason we are using, as facts available, the factors data provided by Premier, including information from manufacturers which did not supply Premier during the POR, in order to calculate CV. For Premier's U.S. sales of models for which it reported no factors data, we have applied, as adverse facts available, a margin of 25.56 percent, the highest overall margin ever applicable to Premier. This margin was calculated for sales by Jilin during the 1993–94 review. As discussed above, it is not necessary to question the reliability of a calculated margin from a prior segment of the proceeding. Further, there are no circumstances indicating that this margin is inappropriate as adverse facts are available. Therefore, we preliminarily find that the 25.56 percent rate is corroborated.

5. *Hailin:* We find that Hailin failed to cooperate by not allowing us to conduct an on-site verification of the information the company supplied in its questionnaire responses. We have, therefore, rejected Hailin's submissions in accordance with section 782(e)(4) of the Act. Section 776(b) of the Act allows us to use an adverse inference in selecting from the facts otherwise available when a firm does not permit verification of the information contained in its response. As adverse facts are available, we have determined that Hailin is not entitled to a separate rate, and have applied the PRC rate of 29.40 percent.

6. *Guizhou Automotive:* Guizhou Automotive failed to respond to a supplemental questionnaire in a timely manner. The firm's initial questionnaire response was incomplete, particularly with regard to separate rate issues, SG&A, overhead, packing, scrap, and expenses related to CEP sales. Because Guizhou Automotive did not provide in a timely manner sufficient information for the Department to determine whether Guizhou Automotive is eligible to retain its separate rate, we have determined that Guizhou Automotive is not entitled to a separate rate and have applied the PRC rate of 29.40 percent.

7. *Chin Jun:* Chin Jun provided factors data from its PRC-based supplier for substantially all of its U.S. sales during the POR, and we have used these data to calculate CV for the applicable models. For certain other models it sold to the United States, Chin Jun provided factors data from other PRC suppliers of the same models. However, we have determined that the data submitted by Chin Jun for two such suppliers is unacceptable and have rejected these data. Because our decision relies on business proprietary information it is discussed further in the business proprietary analysis memo from analyst to the file dated June 30, 1997. For the remainder of its U.S. sales, Chin Jun reported no factors data.

We determined that there is little variation in factor-utilization rates among the TRBs producers from which we have received factors-of-production data. For this reason we have calculated CV using, as facts available, the factors data provided by Chin Jun for PRC-based suppliers from which Chin Jun did not purchase the models in question. Chin Jun has stated that it attempted to obtain from its PRC-based suppliers factors data for the remaining U.S. sales. Because we preliminarily determine that Chin Jun cooperated to the best of its ability to provide data, we are applying to Chin Jun's U.S. sales for which no factors data were reported, as facts available, the weighted-average margin calculated for those U.S. sales for which acceptable data were reported. However, we intend to seek documentation of Chin Jun's claim's that it attempted to solicit from all of its PRC-based suppliers the information requested in our questionnaires.

8. *Shandong:* Shandong purchased TRBs for resale to the United States from a supplier whose factors data we determined to be unacceptable. Because our decision relies on business proprietary information it is discussed further in the business proprietary analysis memo from analyst to the file dated June 23, 1997. Therefore, for Shandong's sales of TRBs purchased from this particular supplier we have applied, as facts available, a margin of 29.40 percent, the highest rate calculated during any segment of this proceeding.

9. *Guizhou Machinery:* Guizhou Machinery provided factors data from its suppliers for models which represented most of its U.S. sales during the POR. For some models, Guizhou Machinery failed to report factors data. For Guizhou Machinery's U.S. sales of models for which it did not provide factors data we have applied, as adverse facts available, a margin of 17.65 percent, the highest overall margin ever applicable to Guizhou Machinery.

In addition, we used partial facts available for other factors data provided by Guizhou Machinery. However, because of the proprietary nature of this situation, we have discussed this use of partial facts available in Guizhou Machinery's preliminary analysis memorandum dated June 23, 1997.

Duty Absorption

On September 6, 1996, the Timken Company requested that the Department determine with respect to all respondents whether antidumping duties had been absorbed during the POR. This request was filed pursuant to section 751(a)(4) of the Act. On June 11, 1997, the Timken Company withdrew its request for a duty absorption determination in this review. Accordingly, we have not made a determination as to whether antidumping duties have been absorbed by a foreign producer or exporter subject to the order.

United States Sales

Both Premier and Chin Jun reported that they maintain inventories in Hong Kong and, therefore, their PRC-based suppliers have no knowledge when they sell to these firms that the shipments are destined for the United States. Accordingly, Premier and Chin Jun are the first parties to sell the merchandise to the United States and export price (EP) and constructed export price (CEP) are properly based on their respective U.S. sales.

For sales made by Guizhou Machinery, Liaoning, Luoyang, Premier, Xiangfan, Shandong and Zhejiang, we based the U.S. sales on export price (EP), in accordance with section 772(a) of the Act, because the subject merchandise was sold to unrelated purchasers in the United States prior to importation into the United States and because the constructed export price (CEP) methodology was not indicated by other circumstances. For sales made by Chin Jun we based the U.S. sales on CEP in accordance with section 772(b) of the Act because the first sale to an unrelated purchaser occurred after importation of the merchandise into the United States. CMC had a combination of EP and CEP sales subject to review.

We calculated EP based on, as appropriate, the FOB, CIF or C&F port price to unrelated purchasers. We made deductions for brokerage and handling, foreign inland freight, ocean freight, and marine insurance. When marine insurance and ocean freight were provided by PRC-owned companies, we based the deduction on surrogate

values. *See Final Determination of Sales at Less Than Fair Value: Saccharin from the People's Republic of China,* 59 FR 58818, 58825 (November 15, 1994). For Premier and Chin Jun, because marine insurance and ocean freight were provided by market-economy companies, we based the deduction on the actual expense values reported by Premier and Chin Jun for these services. We valued foreign inland freight deductions using surrogate data based on Indian freight costs. We selected India as the surrogate country for the reasons explained in the *Normal Value* section of this notice.

We calculated CEP based on the packed, ex-warehouse price from the U.S. subsidiary to unrelated customers. We made deductions from the starting price for CEP for international freight, foreign brokerage & handling, foreign inland freight, marine insurance, customs duties, U.S. brokerage, U.S. inland freight insurance and U.S. inland freight. In accordance with section 772(d)(1) of the Act, we made further deductions from the starting price for CEP for the following selling expenses that related to economic activity in the United States: commissions; direct selling expenses, including advertising, warranties, and credit expenses; and indirect selling expenses, including inventory carrying costs. In accordance with section 772(d)(3) of the Act, we have deducted from the starting price an amount for profit.

Normal Value

Section 773(c) of the Act provides that the Department shall determine the normal value (NV) using a factors-of-production methodology if (1) the merchandise is exported from an NME country, and (2) available information does not permit the calculation of NV using home market prices, third-country prices, or constructed value (CV) under section 773(a). In such cases, the factors include, but are not limited to: (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital cost, including depreciation.

The Department has treated the PRC as an NME country in all previous cases. In accordance with section 771(18)(C)(i), any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. Furthermore, available information does not permit the calculation of NV using home market prices, third-country prices, or CV under section 773(a). Therefore, except as noted below, we calculated NV based on factors of production in accordance with section 773(c) of the Act and section 353.52 of our regulations. *See* Memorandum from the analyst to the file, dated June 20, 1997.

Although Premier and Chin Jun are Hong Kong companies, we also calculated NV for Premier and Chin Jun based on factors-of-production data. We did not use these respondents' third-country sales (they had no Hong Kong sales) in calculating NV because their PRC-based suppliers knew at the time of sale that the subject merchandise was destined for exportation. *See* section 773(a)(3)(A) of the Act, providing that under such conditions NV of a product exported from an intermediate country to the United States may be determined in the country of origin of the subject merchandise. Accordingly, we calculated NV for Premier and Chin Jun on the basis of PRC production inputs and surrogate country factor prices. For certain models for which Premier and Chin Jun reported no factors data we based NV on the facts available in this review. *See Use of Facts Otherwise Available* above.

In accordance with section 773(c)(4), we valued PRC factors of production, to the extent possible, using the prices or costs of factors of production in a market-economy country that is: (1) at a level of economic development comparable to that of the NME country, and (2) a significant producer of comparable merchandise.

We chose India as the most comparable surrogate on the basis of the criteria set out in 19 CFR 353.52(b). *See* Memorandum from Director, Office of Policy to Office Director, AD/CVD Enforcement Group I, Office 3, dated May 28, 1997. We chose Indonesia as the second-choice surrogate based on the same memorandum. Information on the record indicates that both India and Indonesia are significant producers of TRBs. *See* Memorandum from the analyst to the file, dated June 3, 1997. We used publicly available information relating to India to value the various factors of production with the exception of steel inputs and scrap. For valuing steel inputs and scrap we used publicly available information relating to Indonesia because we determined that publicly available information related to India was unreliable.

We valued the factors of production as follows:

For hot-rolled alloy steel bars used in the production of cups and cones, cold-rolled steel rods used in the production of rollers, cold-rolled steel sheet, cold-rolled steel sheet used in the production of cages, and steel scrap, we used import prices obtained from *Foreign Trade Statistical Bulletin, Imports,* Jakarta, Indonesia. We used data from the November 1995 issue, which included cumulative data covering the period January 1995 through November 1995. We subtracted cumulative data from the May 1995 issue, covering the period January 1995 through May 1995, because these data were not within the POR. We applied data for the period June 1995 through November 1995, the first six months of the POR, to the entire POR because we were unable to obtain more recent information. However, for steel bar used to produce cups and cones, the steel rod used to produce rollers and for the relevant steel scrap category, interested parties provided data through December 1995, on a country-specific basis. We used these data because we were able to eliminate from our calculation steel imports sourced from NME countries and small quantities sourced from market-economy countries. We made adjustments to include freight costs incurred between the PRC-based steel suppliers and the TRB factories.

For direct labor, we used 1996 data from *Investing, Licensing & Trading Conditions Abroad, India,* published in November 1996 by the Economist Intelligence Unit. We then adjusted the 1996 labor value to the POR to reflect inflation using consumer price indices (CPI) of India as published in the *International Financial Statistics* by the International Monetary Fund (IMF). We calculated the labor cost for each component by multiplying the labor time requirement by the surrogate labor rate. Indirect labor is reflected in the selling, general and administrative (SG&A) and overhead rates.

For factory overhead, we used information obtained from the 1995–96 annual report of SKF Bearings India, Ltd. (SKF India), a producer of similar merchandise in India. *See SKF Bearings India, Ltd. Annual Report 1995–96.* From this source, we were able to calculate factory overhead as a percentage of total cost of manufacture.

For SG&A expenses, we used information obtained from the same financial report used to obtain factory overhead. This information showed SG&A expenses as a percentage of the cost of manufacture.

For profit, we used SKF India's profit rate. The annual report showed profit as a percentage of cost of production.

For export packing, we used the facts available because the respondents did not supply sufficient factor information for us to calculate packing costs. As facts available we used 1 percent of the sum of total ex-factory costs and SG&A expenses. This percentage, obtained from publicly available data, was used

in the *Final Determination of Sales at Less than Fair Value: Tapered Roller Bearings from Italy,* 52 FR 24198 (June 29, 1987). This methodology is consistent with the Department's valuation of packing in the *Final Results of Antidumping Duty Administrative Review: Tapered Roller Bearings from the People's Republic of China,* 56 FR 67590 (December 31, 1991), and subsequent reviews of this order. We used this percentage because there was no publicly available information from a comparable surrogate country.

For foreign inland freight, as the most recent publicly available published source, we used a rate derived from a newspaper article in the April 20, 1994 issue of *The Times of India,* as submitted in the antidumping duty investigation on honey from the PRC. We adjusted the value of freight to the POR using a wholesale price index (WPI) published by the International Monetary Fund (IMF).

We made no adjustments to CV for selling expenses because the surrogate SG&A information we used did not allow a breakout of selling expenses.

Partial Termination of Review

Shanghai was included in our notice of initiation of this review. However, on February 11, 1997, we published a notice of revocation of the order with respect to Shanghai (62 FR 6189). Therefore, we are terminating this review with respect to Shanghai.

Petitioner requested reviews for East Sea Bearing Co., Ltd. (East Sea), and Changshan Bearing Factory (Changshan). On August 26, 1996, East Sea and Changshan both reported no shipments of subject merchandise to the United States during the POR. We independently confirmed with U.S. Customs that there were no shipments from these two companies. Therefore, we have terminated the review with respect to East Sea. *See Calcium Hypochlorite From Japan: Termination of Antidumping Duty Administrative Review,* 62 FR 18086 (April 14, 1997). However, because Changshan has not been granted a separate rate the deposit rate applicable to Changshan will continue to be the PRC rate as established in the final results of this review.

Currency Conversion

We made currency conversions in accordance with section 773A of the Act. Currency conversions were made at the rates certified by the Federal Reserve Bank. Section 773A(a) directs the Department to use a daily exchange rate to convert foreign currencies into U.S. dollars unless the daily rate involves a ''fluctuation.'' It is our practice to find that a fluctuation exists when the daily exchange rate differs from a benchmark rate by 2.25 percent or more. *See Preliminary Results of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipe and Tube from Turkey,* 61 FR 35188, 35192 (July 5, 1996). The benchmark rate is defined as the rolling average of the rates for the past 40 business days.

Preliminary Results of the Review

As a result of our comparison of the EP or CEP, as applicable, to NV, we preliminarily determine that the following dumping margins exist for the period June 1, 1995, through May 31, 1996:

Manufacturer/Exporter [2] [3]	Margin (percent)
Wanxiang	8.70
Shandong	14.65
Luoyang	3.16
CMC	0.00
Xiangfan	1.55
Guizhou Machinery	20.19
Zhejiang	0.10
Jilin	29.40
Liaoning	0.03
Premier	5.42
Chin Jun	3.41

[2] Although Hangzhou has not been assigned a rate for this review we note that its independent rate will continue to be 29.40 percent, the rate assigned in the 1994–95 review, in which Hangzhou was considered part of the PRC entity and was not specifically named.

[3] The PRC rate applies to CMEC, Hailin, Guizhou Automotive and all firms which did not respond to the questionnaire and which are not entitled to a separate rate.

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held approximately 44 days after the publication of this notice. Interested parties may submit written comments (case briefs) within 30 days of the date of publication of this notice. Rebuttal comments (rebuttal briefs), which must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will issue a notice of final results of this administrative review, including the results of its analysis of issues raised in any such written comments, within 120 days of publication of these preliminary results.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between EP or CEP, as applicable, and NV may vary from the percentages stated above. The Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) For the PRC companies named above that have separate rates and were reviewed (Guizhou Machinery, Luoyang, Jilin, Liaoning, CMC, Zhejiang, Xiangfan, Shandong, Wanxiang), the cash deposit rates will be the rates for these firms established in the final results of this review, except that for exporters with *de minimis* rates, *i.e.*, less than 0.50 percent, no deposit will be required; (2) for Hangzhou, which we preliminarily determine to be entitled to a separate rate, the rate will continue be 29.40 percent, the rate which currently applies to this company; (3) for PRC companies (*e.g.*, Great Wall) which established eligibility for a separate rate in a previous review and for which no review was requested, the cash deposit rate will continue to be the rate assigned in the previous review; (4) for all remaining PRC exporters, all of which were found to not be entitled to separate rates, the cash deposit will be 29.40 percent; and (5) for non-PRC exporters Premier and Chin Jun the cash deposit rates will be the rates established in the final results of this review; (6) for non-PRC exporters of subject merchandise from the PRC, other than Premier and Chin Jun, the cash deposit rate will be the rate applicable to the PRC supplier of that exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated June 30, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–17948 Filed 7–8–97; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–351–406]

Certain Agricultural Tillage Tools From Brazil; Preliminary Results of Countervailing Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of preliminary results of countervailing duty administrative review.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain agricultural tillage tools from Brazil. We preliminarily determine the net subsidy to zero percent *ad valorem* from Marchesan for the period January 1, 1995 through December 31, 1995. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to liquidate, without regard to countervailing duties, all shipments of the subject merchandise from Marchesan exported on or after January 1, 1995 and on or before December 31, 1995. Interested parties are invited to comment on these preliminary results. (See Public Comment section of this notice.)

EFFECTIVE DATE: July 9, 1997.

FOR FURTHER INFORMATION CONTACT: Gayle Longest or Lorenza Olivas, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 482–3338 or (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On October 22, 1985, the Department published in the **Federal Register** (57 FR 42743) the countervailing duty order on certain agricultural tillage tools from Brazil. On October 1, 1996, the Department published a notice of ''Opportunity to Request an Administrative Review'' (61 FR 51259) of this countervailing duty order. We received a timely request for review, and we initiated the review, covering the period January 1, 1995 through December 31, 1995, on November 15, 1996 (61 FR 58513).

In accordance with 19 CFR 355.22(a), this review covers only those producers or exporters of the subject merchandise for which a review was specifically requested. Accordingly, this review covers Marchesan Implementos Agricolas, S.A. (Marchesan). This review also covers five programs.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA) effective January 1, 1995 (the Act). In addition, unless otherwise indicated, all citations to the Department's regulations are to regulations, as amended by the interim regulations published in the **Federal Register** on May 11, 1995 (60 FR 25130). The Department is conducting this administrative review in accordance with section 751(a) of the Act.

Scope of the Review

Imports covered by this review are shipments of certain round shaped agricultural tillage tools (discs) with plain or notched edge, such as colters and furrow-opener blades. During the review period, such merchandise was classifiable under item numbers 8432.21.00, 8432.29.00, 8432.80.00 and 8432.90.00 of the *Harmonized Tariff Schedule* (HTS). The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Partial Revocation

On October 30, 1996, Marchesan requested an administrative review pursuant to 19 CFR 355.22(a)(2), and partial revocation of the countervailing duty order with regard to Marchesan pursuant to 19 CFR 355.25. After examining Marchesan's request, the Department determined that the company did not meet the minimum revocation requirements of § 355.25(b)(3).

Under 19 CFR 355.25(b)(3), in order to be considered for revocation, a producer or exporter must have participated in, and been found to have received no subsidies for, five consecutive review periods with no intervening review period for which a review was not conducted. In October 1992, Marchesan requested an administrative review for 1991. Subsequently, Marchesan withdrew its request and the Department terminated the administrative review for 1991 (59 FR 56067) and there was no administrative review in 1992. Therefore, because Marchesan has participated in only three consecutive administrative reviews in the past five years, we preliminarily determine that Marchesan has not satisfied the five consecutive review periods requirement. In addition, with its request for revocation, a company must submit both government and company certifications that the company neither applied for nor received any net subsidy during the period of review and will not apply for or receive any net subsidy in the future, as well as the agreement described in 19 CFR 355.25.(a)(3)(iii). Marchesan did not provide either the government certification or the company agreement required by the Department's regulations. Therefore, Marchesan did not meet the threshold requirements for revocation. (See letter from Barbara E. Tillman, Director, Office of CVD/AD Enforcement VI, dated December 10, 1996, which is a public document on file in the Central Records Unit (room B–009 of the Department of Commerce)).

Analysis of Programs

I. Programs Preliminarily Determined To Be Not Used

We examined the following programs and preliminarily determine that Marchesan did not apply for or receive benefits under these programs during the period of review:

A. Accelerated Depreciation for Brazilian-Made Capital Goods.

B. Preferential Financing for Industrial Enterprises by Banco do Brasil (FST and EGF loans).

C. SUDENE Corporate Income Tax Reduction for Companies Located in the Northeast of Brazil.

D. Preferencial Financing under PROEX (formerly under Resolution 68 and 509 through FINEX).

E. Preferencial Financing under FINEP.

Preliminary Results of Review

For the period January 1, 1995 through December 31, 1995, we preliminarily determine the net subsidy for Marchesan to be zero percent *ad valorem*. If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service to liquidate, without regard to countervailing duties, shipments of the subject merchandise from Marchesan exported on or after January 1, 1995, and on or before December 31, 1995.

The Department also intends to instruct Customs to collect a cash