*Affected Public:* Businesses or other for-profit organizations.

*Frequency:* Annually.

*Respondent's Obligation:* Mandatory.

*OMB Desk Officer:* Victoria Baecher-Wassmer, (202) 395–7340.

Copies of the above information collection proposal can be obtained by calling or writing Linda Engelmeier, Acting DOC Forms Clearance Officer, (202) 482–3272, Department of Commerce, Room 5327, 14th and Constitution Avenue, N.W., Washington, D.C. 20230.

Written comments and recommendations for the proposed information collection should be sent to Victoria Baecher-Wassmer, OMB Desk Officer, Room 10202, New Executive Office Building, Washington, D.C. 20503.

Dated: October 3, 1996.

Linda Engelmeier,

*Acting Departmental Forms Clearance Officer, Office of Management and Organization.*

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**BILLING CODE 3510–DT–P**

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## International Trade Administration

**[A–570–845, A–570–846]**

## Notice of Preliminary Determinations of Sales at Less Than Fair Value and Postponement of Final Determinations: Brake Drums and Brake Rotors From the People's Republic of China

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

**EFFECTIVE DATE:** October 10, 1996.

**FOR FURTHER INFORMATION CONTACT:** Brian C. Smith or Michelle A. Frederick, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–1766 or (202) 482–0186, respectively.

### The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Rounds Agreements Act (URAA).

### Preliminary Determinations

We determine preliminarily that brake drums and brake rotors from the People's Republic of China (PRC) are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins are shown in the ''Suspension of Liquidation'' section of this notice.

### Case History

Since the initiation of these investigations (61 FR 14740, April 3, 1996), the following events have occurred:

On April 4, 1996, the Department sent a survey to the PRC's Ministry of Foreign Trade and Economic Cooperation (MOFTEC) and to the China Chamber of Commerce for Import & Export of Machinery & Electronics Products (China Chamber) requesting the identification of producers and exporters, and information on production and sales of brake drums and brake rotors exported to the United States. We received a facsimile from the China Chamber identifying three brake drum exporters and six brake rotor exporters to the United States on April 25, 1996.

On April 29, 1996, the United States International Trade Commission (ITC) issued affirmative preliminary injury determinations in these cases (*see* ITC Investigation No. 731–TA–744). The ITC found that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from the PRC of brake drums, and that there is a reasonable indication that an industry is materially injured by reason of imports from the PRC of brake rotors.

The Department issued antidumping questionnaires [1] to the China Chamber and MOFTEC, on May 8, 1996, with instructions to forward the document to all producers/exporters of brake drums and brake rotors and to inform these companies that they must respond by the due dates. We also sent courtesy copies of the antidumping duty questionnaire to all identified companies. In May, June, and July, 1996, 18 PRC companies submitted their section A, C, and D responses.

On June 1, 1996, we postponed both preliminary determinations until not later than October 3, 1996 (61 FR 29073, June 7, 1996) because we determined these investigations to be extraordinarily complicated within the meaning of section 733(c)(1)(B)(i) of the Act.

On June 7, 1996, we received a fax from Zheijiang Asia-Pacific Machine & Electric Group Co., stating that it did not export brake rotors or brake drums to the United States during the period of these investigations.

On July 15, 1996, the Department requested that interested parties provide published information (PI) for valuing the factors of production and for surrogate country selection. We received comments from the interested parties in August 1996.

After receiving complete questionnaire responses from the 18 PRC companies, we determined that, due to limited resources, we would only be able to analyze the responses of the seven largest brake rotor PRC exporters and the five largest brake drum PRC exporters to the United States (a total of 10 PRC companies, two of which export both brake drums and brake rotors). (*See Respondent Selection* section below.)

In July and August, we issued supplemental questionnaires to the 10 selected respondents only. We received responses to these questionnaires during August and September 1996. On September 18, 1996, less than 20 days before the preliminary determinations, the petitioner alleged that critical circumstances exist with respect to imports of brake drums and brake rotors from the PRC. The Department will make its determination as to whether it finds critical circumstances not later than 30 days after the date of the petitioner's submission in accordance with section 353.16(b)(2)(ii).

Also, on September 13, the petitioner submitted additional PI which we were not able to consider for the preliminary determinations. However, we will consider this information for the final determinations.

On September 18, 1996, counsel for Shenyang/Laizhou submitted additional comments on PI. We have considered Shenyang/Laizhou's submission, and we have rejected the claims made therein for these preliminary determinations.

On September 20, 1996, counsel for Southwest Technical Import & Export Corporation (Southwest) submitted revised sales and factors of production databases, explaining that the only change to it's previous databases was what it had reported as a factor amount for plastic tarpaulins. For these preliminary determinations, we have incorporated the most recently submitted factor information Southwest reported for plastic tarpaulins into our analysis but we have not used the databases Southwest most recently

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[1] The questionnaire is divided into four sections. Section A requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the sales of the merchandise in all of its markets. Sections B and C request home market sales listings and U.S. sales listings, respectively (section B does not normally apply in antidumping proceedings involving the PRC). Section D requests information on the factors of production of the subject merchandise.

submitted due to time constraints. We will consider using these databases in our final determinations.

On September 30, 1996, we requested shipment data from the respondents in order to examine the petitioner's critical circumstances allegation.

Postponement of Final Determinations

From September 13 through 16, 1996, all participating respondents requested that, pursuant to section 735(a)(2)(A) of the Act, in the event of affirmative preliminary determinations in these investigations, the Department postpone its final determinations until not later than 135 days after the publication of the affirmative preliminary determinations in the Federal Register. In accordance with 19 CFR 353.20(b), because our preliminary determinations are affirmative, these respondents account for a significant proportion of exports of brake drums and brake rotors, and we are not aware of the existence of any compelling reasons for denying the request, we are granting respondents' request and are postponing the final determinations until 135 days after the publication of this notice in the Federal Register.

Scope of the Investigations

The products covered by these two investigations are (1) certain brake drums and (2) certain brake rotors.

Brake Drums

Brake drums are made of gray cast iron, whether finished, semifinished, or unfinished, ranging in diameter from 8 to 16 inches (20.32 to 40.64 centimeters) and in weight from 8 to 45 pounds (3.63 to 20.41 kilograms). The size parameters (weight and dimension) of the brake drums limit their use to the following types of motor vehicles: automobiles, all-terrain vehicles, vans and recreational vehicles under ''one ton and a half,'' and light trucks designated as ''one ton and a half.''

Finished brake drums are those that are ready for sale and installation without any further operations. Semi-finished drums are those on which the surface is not entirely smooth, and has undergone some drilling. Unfinished drums are those which have undergone some grinding or turning.

These brake drums are for motor vehicles, and do not contain in the casting a logo of an original equipment manufacturer (OEM) which produces vehicles sold in the United States (*e.g.*, General Motors, Ford, Chrysler, Honda, Toyota, Volvo). Brake drums covered in this investigation are not certified by OEM producers of vehicles sold in the United States. The scope also includes composite brake drums that are made of gray cast iron, which contain a steel plate, but otherwise meet the above criteria.

Brake drums are classifiable under subheading 8708.39.5010 of the *Harmonized Tariff Schedule of the United States* (HTSUS). Although the HTSUS subheading is provided for convenience and Customs purposes, our written description of the scope of this investigation is dispositive.

Brake Rotors

Brake rotors are made of gray cast iron, whether finished, semifinished, or unfinished, ranging in diameter from 8 to 16 inches (20.32 to 40.64 centimeters) and in weight from 8 to 45 pounds (3.63 to 20.41 kilograms). The size parameters (weight and dimension) of the brake rotors limit their use to the following types of motor vehicles: automobiles, all-terrain vehicles, vans and recreational vehicles under ''one ton and a half,'' and light trucks designated as ''one ton and a half.''

Finished brake rotors are those that are ready for sale and installation without any further operations. Semi-finished rotors are those on which the surface is not entirely smooth, and has undergone some drilling. Unfinished rotors are those which have undergone some grinding or turning.

These brake rotors are for motor vehicles, and do not contain in the casting a logo of an original equipment manufacturer (OEM) which produces vehicles sold in the United States (*e.g.*, General Motors, Ford, Chrysler, Honda, Toyota, Volvo). Brake rotors covered in this investigation are not certified by OEM producers of vehicles sold in the United States. The scope also includes composite brake rotors that are made of gray cast iron, which contain a steel plate, but otherwise meet the above criteria.

Brake rotors are classifiable under subheading 8708.39.5010 of the HTSUS. Although the HTSUS subheading is provided for convenience and Customs purposes, our written description of the scope of this investigation is dispositive.

Periods of Investigations

The periods of these investigations (POI) comprise each exporter's two most recent fiscal quarters prior to the filing of the petition.

Nonmarket Economy Country Status

The Department has treated the PRC as a nonmarket economy country (NME) in all past antidumping investigations *(see, e.g., 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)* and *Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China,* 60 FR 22545 (May 8, 1995) *(Furfuryl Alcohol)).* Neither respondents nor petitioners have challenged such treatment. Therefore, in accordance with section 771(18)(C) of the Act, we will continue to treat the PRC as an NME in these investigations.

When the Department is investigating imports from an NME, section 773(c)(1) of the Act directs us to base normal value (NV) on the NME producers' factors of production, valued, to the extent possible, in a comparable market economy that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed under the NV section below.

Surrogate Country

The Department has determined that India, Nigeria, Pakistan, Sri Lanka, Egypt and Indonesia are countries comparable to the PRC in terms of overall economic development *(see* Memorandum from David Mueller to Gary Taverman, dated May 21, 1996).

According to the available information on the record, we have determined that India is a significant producer of comparable merchandise. Accordingly, we have calculated NV using Indian prices to value the PRC producers' factors of production, when available and where appropriate. We have obtained and relied upon PI wherever possible. In cases where we have not used Indian data because they involved prices considered aberrational, we have used Indonesian import prices as surrogate values.

Respondent Selection

In NME cases, we presume a single rate is applicable to all exporters and we attempt to examine the sales of all exporters during the POI. We sent a survey to MOFTEC and the China Chamber to determine the identity of producers and exporters of brake drums and brake rotors. We sent the antidumping questionnaire to MOFTEC and to the China Chamber with a list of the names of possible exporters and/or producers of the brake rotors and brake drums. We also sent courtesy copies to the named exporters and producers. The following PRC companies submitted full questionnaire responses in a timely manner:

China North Industries Dalian Corporation
China National Automotive Industry Import & Export Corp. and its affiliates Shandong Laizhou CAPCO Industry Corporation and CAPCO USA

Shenyang Honbase Machinery Corporation, Ltd.
Yantai Import & Export Corporation
China North Industries Guangzhou Corporation
Southwest Technical Import & Export Corporation and its affiliates Yangtze Machinery Company and MMB International, Inc.
China National Machinery & Equipment Import & Export (Xinjiang) Corporation, Ltd.
Qingdao Metals & Machinery Import & Export Corporation
Beijing Xinchangyuan Automobile Fittings Corporation, Ltd.
China National Machinery Import & Export Corporation
Laizhou Luyuan Automobile Fittings Corporation, Ltd.
Xianghe Zichen Casting Corporation
Jiuyang Enterprise Corporation
Hebei Metals and Machinery Import & Export Corporation
Yenhere Corporation
Longjing Walking Tractor Works Foreign Trade Import & Export Corporation
Jilin Provincial Machinery and Equipment Import & Export Corporation, Ltd.
Shanxi Machinery and Equipment Import & Export Corporation.

Given that we did not have the administrative resources to analyze the responses of all participating exporters, we determined that our investigations would be limited to the analysis of the sales of the seven largest PRC brake rotor exporters and the five largest brake drum exporters to the United States. As two PRC companies exported both brake drums and brake rotors, this constituted a total of ten companies. The identification of the largest exporters of each like product was based on the data supplied by those PRC companies which submitted a full questionnaire response. (*See,* Memorandum from the team to Barbara R. Stafford for a discussion on selection of respondents (*Respondent Selection Memorandum*), dated July 19, 1996.) For the brake drums investigation, we selected (1) China National Machinery Import & Export Corporation (CMC); (2) China North Industries Guangzhou Corporation (Guangzhou Norinco); (3) Qingdao Metals & Machinery Import & Export Corporation (Qingdao); (4) Yantai Import & Export Corporation (Yantai); and (5) Beijing Xinchangyuan Automobile Fittings Corporation, Ltd. (Xinchangyuan).

For the brake rotors investigation, we selected (1) China National Automotive Industry Import & Export Corp. and its affiliates Shandong Laizhou CAPCO Industry Corporation, CAPCO USA (CAIEC/CAPCO); (2) China North Industries Dalian Corporation (Dalian Norinco); (3) Shenyang Honbase Machinery Corporation., Ltd., (Shenyang); (4) Guangzhou Norinco; (5) Southwest; (6) China National Machinery & Equipment Import & Export (Xinjiang) Corporation, Ltd., (a.k.a. Xinjiang); and (7) Yantai.

On July 23, 1996, counsel for Shenyang (one of the 10 respondents selected by the Department) requested that Laizhou Luyuan Automobile Fittings Corporation, Ltd., (Laizhou), also be included in the group of selected respondents. Laizhou is, in fact, included among the selected respondents because the Department determined that Shenyang and Laizhou are affiliated parties within the meaning of section 771(33) of the Act, and the two producers were collapsed and treated as one respondent in the investigation of brake rotors. (*See* August 8, 1996, Memorandum from the team to Barbara R. Stafford (*Affiliated Parties Memorandum.*))

Separate Rates

Each of the selected respondents has requested a separate, company-specific rate. The following respondents are companies owned by all the people: (1) CAIEC/CAPCO; (2) CMC; (3) Dalian Norinco; (4) Guangzhou Norinco; (5) Qingdao; (6) Xinjiang; (7)Yantai; and (8) Southwest.

The ownership structure of the remaining respondents is as follows:

(1) Shenyang and Laizhou are affiliated parties (hereinafter Shenyang/Laizhou). Shenyang is owned entirely by GRI Honbase, a Hong Kong company which is U.S. owned. Laizhou is a joint venture between GRI Honbase and ''all the people.'' The share in Laizhou owned by ''all the people'' is a minority share; and

(2) Xinchangyuan is a joint venture between a U.S. company and a PRC company, Beijing Changyuan Automotive Parts Factory. The PRC company is the majority shareholder and is owned by ''all the people.''

As stated in *Silicon Carbide* and *Furfuryl Alcohol,* ownership of a company by all the people does not require the application of a single rate. Accordingly, each of these respondents is eligible for consideration for a separate rate.

To establish whether a firm is sufficiently independent from government control to be entitled to a separate rate, the Department analyzes each exporting entity under a test arising out of 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*) and amplified in *Silicon Carbide.* Under the separate rates criteria, the Department assigns separate rates in nonmarket economy cases only if respondents can demonstrate the absence of both de jure and de facto governmental control over export activities.

*1. Absence of De Jure Control*

The respondents have placed on the administrative record a number of documents to demonstrate absence of de jure control, including laws, regulations and provisions enacted by the State Council of the central government of the PRC. They have also submitted documents which establish that brake drums and brake rotors are not included on the list of products that may be subject to central government export constraints. In addition, respondents Xinchangyuan and Laizhou each submitted the ''Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures'' (April 13, 1988). The articles of this law authorize joint venture companies to make their own operational and managerial decisions.

In prior cases, the Department has analyzed the laws which the respondents have submitted in this record and found that they establish an absence of de jure control. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Partial-Extension Steel Drawer Slides With Rollers From the People's Republic of China,* 60 FR 54472 (October 24, 1995); *see also Furfuryl Alcohol.* We have no new information in these proceedings which would cause us to reconsider this determination.

However, as in previous cases, there is some evidence that the PRC central government enactments have not been implemented uniformly among different sectors and/or jurisdictions in the PRC. (See *Silicon Carbide* and *Furfuryl Alcohol.*) Therefore, the Department has determined that an analysis of de facto control is critical in determining whether respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

*2. Absence of De Facto Control*

The Department typically considers four factors in evaluating whether each respondent is subject to de facto governmental control of its export functions: (1) Whether the export prices are set by or subject to the approval of a governmental authority; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the

proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses (see *Silicon Carbide* and *Furfuryl Alcohol*).

CAIEC/CAPCO, CMC, Qingdao, Shenyang/Laizhou, Southwest, Xinchangyuan, Xinjiang, and Yantai have asserted the following: (1) They establish their own export prices; (2) they negotiate contracts, without guidance from any governmental entities or organizations; (3) they make their own personnel decisions and; (4) they retain the proceeds of their export sales, use profits according to their business needs and have the authority to sell their assets and to obtain loans. In addition, respondents' questionnaire responses indicate that company-specific pricing during the POI does not suggest coordination among exporters. This information supports a preliminary finding that there is a de facto absence of governmental control of the export functions of these companies.

Consequently, we determine preliminarily that these exporters have met the criteria for the application of separate rates. We will examine this matter further at verification.

Dalian Norinco and Guangzhou Norinco also claimed separate rates and provided documentation in support of their claims. However, we have denied these entities separate rates in these preliminary determinations for the following reasons.

On August 19, 1996, the petitioner argued that Dalian Norinco and Guangzhou Norinco are not eligible for separate rates. Based on an article appearing in *Business Week*, the petitioner alleged that these two companies are still part of NORINCO, which it claims is owned and controlled by the People's Liberation Army (PLA). Subsequently, the Department conducted additional research on this issue. Based on additional information and articles found by the Department, and placed on the record of these investigations, we have concluded preliminarily that Guangzhou Norinco and Dalian Norinco are still branches of the national corporation, NORINCO, which is controlled by the PLA. (*See Concurrence Memorandum*.) Therefore, the record does not support a preliminary finding of an absence of de facto control of export functions by the government. Accordingly, we determine preliminarily that Dalian Norinco is ineligible for a separate rate in the investigation of brake rotors and that Guangzhou Norinco is ineligible for separate rates for the investigations of brake drums and brake rotors.

China-Wide Rate

U.S. import statistics indicate that the total quantity and value of U.S. imports of brake drums and brake rotors from the PRC is substantially greater than the total quantity and value of brake drums and brake rotors reported by all PRC companies that submitted responses in both the brake drums and brake rotors cases. Given these significant discrepancies, we have no choice but to conclude that not all exporters of PRC brake drums and brake rotors responded to our questionnaire. Accordingly, we are applying a single antidumping deposit rate—the China-Wide rate—to all exporters in the PRC (other than the eight named above as receiving separate rates), based on our presumption that Dalian Norinco, Guangzhou Norinco, and those respondents who failed to constitute a single enterprise, are under common control by the PRC government. *See, e.g., Final Determination of Sales at Less Than Fair Value: Bicycles from the People's Republic of China,* 61 FR 19026 (April 30, 1996) (*Bicycles*).

This China-Wide antidumping rate is based on adverse facts available. Section 776(a)(2) of the Act provides that ''if an interested party or any other person—(A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i), the administering authority * * * shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title.''

In addition, section 776(b) of the Act provides that, if the Department finds that an interested party ''has failed to cooperate by not acting to the best of its ability to comply with a request for information,'' the Department may use information that is adverse to the interests of that party as the facts otherwise available. The statute also provides that such an adverse inference may be based on secondary information, including information drawn from the petition.

When multiple companies are treated as a single enterprise, the enterprise must submit a complete, consolidated response. If it fails to do so, the Department may base the margin calculation for the enterprise on the facts available. As discussed above, all PRC exporters that have not qualified for a separate rate (except those uninvestigated respondents that fully cooperated in the investigations) have been treated as a single enterprise. Because some exporters of the single enterprise failed to respond to the Department's requests for information, that single enterprise is considered to be uncooperative. Accordingly, consistent with section 776(b)(1) of the Act, we have applied in each case, as total facts available, the higher of the applicable margin from the petition or the highest rate calculated for a respondent in that proceeding. In the present cases, based on our comparison of the calculated margins for the other respondents in these proceedings to the estimated margins in the petitions, we have concluded that the petition is the most appropriate record information on which to form the basis for dumping calculations in the brake drums investigation. We have concluded that the highest calculated rate among the selected respondents in the brake rotors case is the most appropriate record information on which to form the basis for dumping calculations in the brake rotors investigation. Accordingly, the Department has based the margin for brake drums on information in the petition and has based the margin for brake rotors on the highest calculated margin among the selected brake rotors respondents. In these cases, the highest petition rate for brake drums is 105.56 percent. The highest calculated margin for brake rotors 64.56 percent.

Section 776(c) of the Act provides that where the Department relies on ''secondary information,'' the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The Statement of Administrative Action (SAA), accompanying the URAA clarifies that the petition is ''secondary information.'' *See* SAA at 870. The SAA also clarifies that ''corroborate'' means to determine that the information used has probative value. *Id.* However, where corroboration is not practicable, the Department may use uncorroborated information.

In accordance with section 776(c) of the Act, we corroborated the margins in the petition to the extent practible. The petitioners based export prices on prices charged by U.S. distributors of brake drums and deducted from these prices a distributor mark-up. We compared the starting prices used by petitioner to prices derived from U.S. import statistics and found that the similarity to the import statistics corroborated the starting prices in the petition. *See,*

*Notice of Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe from South Africa,* 61 FR 94, 24271 (May 14, 1996). We also find that the deduction for the distributor mark-up is sufficiently documented for purposes of corroboration by examining affidavits submitted by industry experts. The normal value was based on factors of production employed by the petitioner to produce brake drums, and to the extent possible, surrogate factor values which were obtained from Indian PI. When analyzing the petition, the Department examined and confirmed the accuracy of the normal value data as provided in the petition by comparing the values used in the petition with values obtained from PI collected in these and previous NME investigations.

Accordingly, we have corroborated, to the extent practicable, the data contained in the petition.

Rate for Respondents Not Selected

As stated above, several PRC companies which submitted full questionnaire responses in a timely manner and which claimed eligibility for separate rates were not chosen by the Department respondents in either investigation. It would be inappropriate to assign these fully cooperative respondents a rate based on ''facts available,'' that would also apply PRC exporters of brake drums or brake rotors who refused to cooperate in these investigations. Therefore, we have assigned the cooperative respondents in the brake drums case a weighted-average dumping margin based on the calculated margins, which were not *de minimis,* of the selected brake drum respondents, and we have assigned the cooperative respondents in the brake rotors case a weighted-average dumping margin based on the calculated margins, which were not *de minimis,* of the selected brake rotors respondents.

Fair Value Comparisons

To determine if the brake drums and brake rotors from the PRC sold to the United States by the eight PRC exporters receiving separate rates were made at less than fair value, we compared the ''United States Price'' (USP) to the NV, as specified in the ''United States Price'' and ''Normal Value'' sections of this notice.

United States Price

We based USP on export price (EP) in accordance with section 772(a) of the Act, when the brake drums or brake rotors were sold directly to the first unaffiliated purchaser in the United States prior to importation and when constructed export price (CEP) methodology was not otherwise indicated. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI-wide weighted-average export prices (EPs) to the factors of production.

We have determined preliminarily that certain PRC entities and certain U.S. entities are affiliated parties within the meaning of section 771(33) of the Act:

(1) As discussed above, GRI Honbase owns a controlling interest in Sheyang/Laizhou. GRI Honbase is, in turn, owned by a U.S. party that also owns a majority interest in Midwest Air Technologies, Inc.(MAT), and MAT Automotive, Inc., the parties in the U.S. which first purchase the brake rotors produced by Shenyang/Laizhou. Thus, we determine preliminarily that Shenyang/Laizhou, MAT and MAT Automotive are affiliated parties.

(2) Southwest wholly owns MMB International, Inc., the U.S. importer. Thus, we determine preliminarily that Southwest and MMB International, Inc., are affiliated parties.

While the merchandise produced by Shenyang/Laizhou and Southwest was shipped directly from the manufacturer to the unaffiliated U.S. customer, the terms of all sales made through U.S. affiliates were negotiated in the United States by the affiliates. Therefore, we find that the responsibilities of the U.S. affiliates go well beyond those of ''a processor of sales related documentation'' or a ''communications link,'' and have redesignated the sales in question as CEP. (*See Concurrence Memorandum.*)

Therefore, for all sales of brake rotors made by Shenyang/Laizhou and those sales of brake rotors by Southwest made in the United States, before or after importation, we have redesignated these sales as CEP sales in accordance with section 772(b) of the Act. (*See Concurrence Memorandum.*)

For CAIEC/CAPCO, whose sales to the first unaffiliated purchaser took place after importation into the United States, we based USP on CEP, in accordance with section 772(b) of the Act.

In accordance with section 772(d)(1) of the Act, we deducted from CEP the following expenses that related to economic activity in the United States: direct selling expenses, including credit expenses, and indirect selling expenses. Finally, we made an adjustment for CEP profit in accordance with section 772(d)(3) of the Act. We deducted an amount from CEP for profit by applying the surrogate value profit rate for brake drums and brake rotors to the sum of selling expenses incurred in the U.S. *See Bicycles,* 61 FR 19031.

We made company-specific adjustments as follows:

*1. CAIEC/CAPCO*

We calculated EP and CEP based on packed, FOB Qingdao port or CIF U.S. port prices to unaffiliated purchasers in the United States, as appropriate. We made deductions from the starting price, where appropriate, for the following services which were provided by market economy suppliers: U.S. inland freight and U.S. duty expenses (which also included harbor maintenance fees and merchandise processing fees). We also deducted from the starting price, where appropriate, an amount for foreign inland freight, foreign brokerage and handling, marine insurance and U.S. inland insurance. However, when these movement services were provided by nonmarket economy suppliers, we valued them using Indian rates. In some cases international freight and marine insurance were provided by nonmarket economy suppliers, and in others by market economy suppliers. For the former, the deduction was based on Indian surrogate values. For the latter, we deducted the market economy value for the services from the starting price. We have also recalculated credit expenses using an interest rate that is an average of the interest rates of all U.S. dollar fixed and variable loans with a maturity of over one month and under one year as reflected in Federal Reserve statistics (*see Final Results of Administrative Review: Certain Cut-to-Length Carbon Steel Plate from Sweden* (61 FR 15772, 15780) (*Steel Plate*))).

*2. CMC*

We calculated EP based on packed, CIF U.S. port prices to unaffiliated purchasers in the United States. We made deductions from the CIF U.S. port price, where appropriate, for foreign inland freight and foreign brokerage and handling, marine insurance and international freight. As all foreign inland freight and handling fees were provided by nonmarket economy suppliers and or paid for in a non-market economy currency, we valued these services using Indian rates.

*3. Qingdao*

We calculated EP based on packed, CNF U.S. port prices to unaffiliated purchasers in the United States. We made deductions from the CNF U.S. price, where appropriate, for foreign inland freight, brokerage & handling and international freight. As all these expenses were provided by nonmarket

economy suppliers, we valued these services using Indian rates.

*4. Shenyang/Laizhou*

We calculated CEP based on packed, CIF U.S. port prices to unaffiliated purchasers in the United States. We made deductions from the starting price, where appropriate, for international freight (which includes ocean freight and U.S. inland freight), and marine insurance (which includes U.S. inland insurance). In some cases international freight and marine insurance were provided by nonmarket economy suppliers, and in others by market economy suppliers. For the former, the deduction was based on Indian surrogate values. For the latter, we deducted the market economy value for the services from the starting price. We also deducted from the starting price, where appropriate, an amount for foreign inland freight. Because these movement services were provided by nonmarket economy suppliers, these services were valued using Indian rates.

We have also deducted from CEP credit expenses incurred on behalf of U.S. sales. We note that our practice is to calculate a credit period from the date that the merchandise is shipped to the unaffiliated U.S. customer to the date that payment from that customer is received. In CEP cases where the merchandise is shipped to the U.S. customer from the inventory of a U.S. affiliate, the credit period begins from the point of shipment from U.S. inventory. However, in the case of Laizhou/Shenyang, merchandise is shipped to the U.S. customer directly from the foreign port. Therefore, we have relied on a credit period beginning with the date of the bill of lading at the foreign port. Thus, we have recalculated credit expenses and have also used an interest rate based on the method used in *Steel Plate*.

*5. Southwest*

We calculated EP and CEP based on packed, CIF customer's warehouse, CIF Hong Kong, or CIF U.S. port prices to unaffiliated purchasers in the United States, as appropriate. We made deductions from the starting price, where appropriate, for the following: foreign inland freight, marine insurance (which includes domestic inland insurance), foreign brokerage and handling, international freight, transloading charges in Hong Kong, U.S. customs duty, and U.S. customs brokerage (which includes U.S. inland freight). International freight and transloading charges were provided for certain transactions by non-market economy carriers and for other transactions by market economy carriers. For the former, the deduction was based on Indian surrogate values. For the latter, we deducted the market economy value for the services from the starting price. The foreign inland freight, marine insurance, and foreign brokerage and handling expenses were valued using Indian rates because these services were provided by a nonmarket economy supplier.

We have also deducted from CEP credit expenses incurred on behalf of U.S. sales. As with Shenyang/Laizhou (noted above), Southwest's merchandise is shipped to the U.S. customer directly from the factory. Southwest reported its credit expenses based on the shipment date from the U.S. port. Therefore, we have recalculated credit expenses to reflect the date of shipment from the factory and have also used an interest rate based on the method used in *Steel Plate*.

*6. Xinjiang*

We calculated EP based on packed, FOB Qingdao port prices to unaffiliated purchasers in the United States. We made deductions from the FOB Qingdao price for foreign inland freight. As all foreign inland freight charges were provided by nonmarket economy suppliers, we valued this service at an Indian rate.

*7. Xinchangyuan*

We calculated EP based on packed, C&F or CIF U.S. port prices to unaffiliated purchasers in the United States. We made deductions from the C&F or CIF U.S. price, where appropriate, for foreign inland freight and brokerage and handling, and marine insurance. As all foreign inland freight, brokerage and handling, and marine insurance were provided by nonmarket economy suppliers, these services were valued using Indian rates. We also deducted ocean freight which was provided by market economy suppliers and paid for in market-economy currencies.

*8. Yantai*

We calculated EP based on packed, CIF U.S. port prices to unaffiliated purchasers in the United States. We made deductions from the CIF U.S. price, where appropriate, for foreign inland freight, foreign brokerage and handling and marine insurance. As all these expense were provided by nonmarket economy suppliers, these services were valued in India. In addition, we deducted international freight which was provided by market economy suppliers and paid for in market economy currencies.

Normal Value

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by the factories in the PRC which produced brake drums and/or brake rotors for the eight exporters. Where an input was sourced from a market economy and paid for in market economy currency (*i.e.*, bolts), we used the actual price paid for the input to calculate the factors-based NV in accordance with our practice. *See Lasko Metal Products* v. *United States*, 437 F. 3d 1442, 1443 (Fed. Cir. 1994) (''*Lasko*''). We valued the remaining factors using PI from India where possible. Where appropriate Indian values were not available, we used PI from Indonesia.

Factor Valuations

The selection of the surrogate values was based on the quality and contemporaneity of the data. Where possible, we attempted to value material inputs on the basis of tax-exclusive domestic prices. Where we were not able to rely on domestic prices, we used import prices to value factors. We did not remove from the import data import prices that respondents alleged were dumped and/or subsidized because they did not demonstrate that inclusion of these values caused depressive distortions in the import prices (*see Concurrence Memorandum*). As appropriate, we adjusted input prices to make them delivered prices. For those values not contemporaneous with the POI, we adjusted for inflation using wholesale price indices or, in the case of labor rates, consumer price indices, published in the International Monetary Fund's *International Financial Statistics*. For a complete analysis of surrogate values, see the Factors Calculation Memorandum from the team to Barbara R. Stafford, (*Factors Memorandum*) dated October 3, 1996.

To value calcium carbonate, we used public information from POI issues of the Indian publication *Chemical Weekly*. For dextrin, copper, copper powder, ferromanganese, ferrosilicon of greater than 55% purity, other ferrosilicon, and manganese metal, we relied on import prices contained in the April through July 1995 issues of *Monthly Statistics of the Foreign Trade of India* (*Monthly Statistics*).

To value ferrochromium, we used Indian import price data from the April through June 1995 issues of *Monthly Statistics*. To value iron scrap, steel scrap, and pig iron, we used domestic prices from public information contained in the annual report of Shivaji Works Ltd., an Indian producer of brake

drums, because these prices best represent the cost of those incurred by an Indian producer of brake drums and brake rotors.

To value lead-based rust inhibitor, non-lead-based rust inhibitor, shot and angular grit (if used for sand cores), turnings and shavings (if used for sand cores), lubrication oil, ball bearing cups, steel angles, steel plate, and steel stamp, we used Indian import price data from the April through July 1995 issues of *Monthly Statistics*. To value parting spray, we used Indian import price data from the April and May 1995 issues of *Monthly Statistics*. Shenyang/Laizhou purchased castings for rotors from an unaffiliated nonmarket economy supplier. Shenyang/Laizhou provided the financial statements of two Indian producers, Shivaji and Bhagwati, as a source for surrogate values for castings. To value this input, we used the cast iron casting price noted in Shivaji's financial statement only. Although the other financial statement submitted by Shenyang/Laizhou listed a price for castings, there was no indication that such castings were used to produce merchandise comparable to the merchandise subject to these investigations.

We note that Shenyang/Laizhou claimed that the Indian surrogate values for castings purchased by Shenyang in China are significantly higher than the production experience of Laizhou, and that the Indian values may include products other than brake rotor castings. Based on this claim, Shenyang/Laizhou requested that the Department value the purchased castings using the factors of production of respondent Laizhou. We have rejected respondent's request for this preliminary determination. It is the Department's practice to value inputs purchased in NME countries using surrogate values for the input, rather than to construct a value for the input based on factors of production for that input. (*See Final Determination of Sales At Less Than Fair Value Coumarin from People's Republic of China*, 59 FR 66895, (Comments 4 and 5) (December 28, 1994)). In the instant case, we are relying on Indian castings values (which we note were placed on the record by Shenyang/Laizhou themselves), and rejecting Shenyang/Laizhou's proposed methodology because the respondent has provided no evidentiary support for their claim that the surrogate values may reflect the prices of products other than (or substantially different from) brake rotor castings, and because the Department is required, under section 1677b(a)(4) of the Act, to value factors of production in a surrogate market economy.

Regarding lug bolts, we could not obtain a product-specific price from India. Therefore, we used Indonesian import data covering January through November 1995 from the November 1995 issue of *Statistical Bulletin* (see *Concurrence Memorandum* and *Bicycles*). For PRC companies which purchased lug bolts from market economy sources and paid in market economy currency, we used the data supplied in their submissions. To value steel sheet, steel strip, and steel wire rod, we relied upon public information from the SAIL publication.

To value coking coal and wood, we used import prices covering April through July 1995 from *Monthly Statistics*. For liquid petroleum gas we used domestic prices from an Indian periodical, *Financial Times of India*. For electricity, we relied upon public information from *Confederation of Indian Industries Handbook of Statistics 1995* to obtain an average price for electricity provided to medium-size industries.

To value adhesive tape, corrugated cartons, corrugated paper, fiberboard, labels, nails, steel straps, wood brackets, wood cases and boxes, and wood pallets, we relied upon Indian import data from the April through July 1995 issues of *Monthly Statistics*.

Regarding plastic bags and sheets, we utilized Indian import price data for polyethylene from the April 1994 through February 1995 issues of *Monthly Statistics*. For plastic tarpaulin, we used the Indian import price for other plastic sheets from the April through July 1995 issues of *Monthly Statistics*. For bags and sheets of other plastics, we used Indian import price data from the same issues of *Monthly Statistics*.

To value labor, we used data from the United Nations' publication *Yearbook of Labor Statistics* (*YLS*). Information for Indian labor rates from *Investing, Licensing & Trading Conditions Abroad* was found to represent statutory minimum Indian labor rates and not actual labor rates (*see Preliminary Determination of Sales at Less than Fair Value: Polyvinyl Alcohol from the PRC*, 60 FR 52647 (October 10, 1995) (*PVA*). The original source does not name or document the skill level represented by the YLS surrogate value, nor do we have agreement among parties regarding use of this labor rate for skilled and unskilled labor rate assumptions. Thus, following the method established in *PVA* and in relying on *YLS* data, we applied a single labor value to all reported labor factors, including indirect labor.

To value truck freight rates, we used public information from the periodical *The Times of India*. For train rates, we relied upon POI public information from the *Indian Railway Conference Association*, which provides published distance-specific fees. For Indian barge rates, we relied upon public information contained in the August 3. 1993 cable from the U.S. consulate in Bombay, originally utilized in *Final Determination of Sales at Less than Fair Value: Helical Spring Lock Washers from the PRC*, 58 FR 48833 (September 28, 1993), adjusted for inflation. To value ocean freight rates, we used public information from the Federal Maritime Commission common rates tariff.

To value foreign brokerage and handling, we relied on public information reported in the antidumping investigation of *Stainless Steel Bar from India*. For marine insurance, we used public information reported in the antidumping investigation of *Sulfur Dyes, Including Sulfur Vat Dyes, from India* (which is attached to the factors valuation memorandum).

To value factory overhead, SG&A, and profit, we calculated a simple average using the financial statements of Rico and Shivaji. Of the five financial statements of Indian producers submitted by interested parties, only the statements of these two companies indicated production comparable to the merchandise subject to these investigations.

Where appropriate, we have removed from the surrogate overhead and SG&A calculations, the excise duty amount listed in the financial statements (see Bicycles, 61 FR 19039). We also made certain adjustments to the percentages calculated as a result of reclassifying expenses contained in the financial statements.

For both companies, we treated the line item labelled ''stores and spares consumed'' as part of factory overhead and not part of materials consumed because stores and spares are not direct materials consumed in the production process. We have considered stores and spares to include items such as filter screens, flux covering, drill bits and similar items which are not direct inputs into the production process. In addition, information in one of these companies' financial statements indicates that Indian accounting practices require Indian companies to record molding inputs (*i.e.*, all types of sand, bentonite, lead powder, steel pellets (if used for sand cores or moulding), coal powder and waste oil) under ''stores and spares consumed.''

Therefore, we are considering these molding inputs as indirect materials and a part of factory overhead, and we are not valuing them as materials.

We have considered the line item labelled ''raw materials consumed'' to include direct materials such as pig iron, steel scrap, and steel inputs, and non-steel direct inputs and not included them in factory overhead. The designation of these items is consistent with standard accounting procedures and recent determinations (*see* PVA and Bicycles). We also based our factory overhead calculation on the cost of goods manufactured rather than on the cost of goods sold. In addition, we included interest and/or financial expenses in the SG&A calculation.

For Shivaji, we removed rent expenses from manufacturing costs and reclassified the expense as SG&A, and kept write-offs of development expenses in manufacturing costs. To avoid double counting, we removed the amount for miscellaneous expenses from the SG&A calculation to account for packing expenses. (For a further discussion of other adjustments made, see Concurrence Memorrandum).

For Rico, we have considered technical know-how expenses as engineering expenses and kept them in factory overhead. To avoid double counting, we removed the amount for other expenses from the SG&A calculation to account for packing expenses. (For a further discussion of other adjustments made, see Concurrence Memorrandum).

Southwest reported additional factors such as filter screens, fluxing covering, and grinding wheels which it uses to produce brake rotors. For these preliminary determinations, we have treated these types of inputs as part of factory overhead because they do not appear to be direct material inputs.

Verification

As provided in section 782(i) of the Act, we will verify the information used in making our final determinations.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all entries of brake drums and rotors from the PRC, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register. The Customs Service will require a cash deposit or posting of a bond equal to the estimated dumping margins by which the normal value exceeds the USP, as shown below. These suspension of liquidation instructions will remain in effect until further notice. CMC will be excepted from the suspension of liquidation instructions for brake drums because its sales of brake drums were not found to have been sold below fair value. CMC's sales of brake drums, which were manufactured by the producer whose factors formed the basis for the *de minimis* margin, will be excluded from an antidumping duty order on brake drums should one be issued. Brake drums that are sold by CMC but manufactured by other producers will be subject to the order, if one is issued. (*See Final Determination of Sales At Less Than Fair Value: Case Pencils from the People's Republic of China,* 59 FR 55625, (November 8, 1994)(*Pencils*)). CAIEC/CAPCO will be excepted from the suspension of liquidation instructions for brake rotors because its sales of brake rotors were not found to have been sold below fair value. CAIEC/CAPCO's sales of brake rotors, which were manufactured by the producer whose factors formed the basis for the *de minimis* margin, will be excluded from an antidumping duty order on brake rotors should one be issued. Brake rotors that are sold by CAIEC/CAPCO but manufactured by other producers will be subject to the order, if one is issued. (*See Pencils*).

The weighted-average dumping margins are as follows:

| Manufacturer/producer/exporter | Weighted-average margin percentage |
|---|---|
| **Brake Drums** | |
| China National Automotive Industry Import & Export Corporation, Shandong Laizhou CAPCO Industry Corporation, and CAPCO International USA | 13.97 |
| Yantai Import & Export Corporation | 19.07 |
| Qingdao Metal & Machinery Import & Export Corporation | 9.70 |
| Beijing Xinchangyuan Automobile Fittings Corporation, Ltd. | 11.29 |
| China National Machinery Import & Export Corporation | 0.08 |
| Jiuyang Enterprise Corporation | 13.97 |
| Hebei Metals and Machinery Import & Export Corporation | 13.97 |
| Longjing Walking Tractor Works Foreign Trade Import & Export Corporation | 13.97 |
| Shanxi Machinery and Equipment Import & Export Corporation | 13.97 |
| China-Wide Rate | 105.56 |
| **Brake Rotors** | |
| China National Automotive Industry Import & Export Corporation, Shandong Laizhou CAPCO Industry Corporation, and CAPCO International USA | 0.12 |
| Shenyang Honbase Machinery Corporation, Ltd., and Laizhou Luyuan Automobile Fittings Corporation, Ltd., MAT Automotive, Inc., and Midwest Air Technologies, Inc. | 64.56 |
| Yantai Import & Export Corporation | 11.81 |
| Southwest Technical Import & Export Corporation, Yangtze Machinery Corporation, and MMB International, Inc. | 45.08 |
| China National Machinery and Equipment Import & Export (Xinjiang) Corporation, Ltd. | 13.04 |
| Qingdao Metal & Machinery Import & Export Corporation | 42.69 |
| Xianghe Zichen Casting Corporation | 42.69 |
| Jiuyang Enterprise Corporation | 42.69 |
| Hebei Metals and Machinery Import & Export Corporation | 42.69 |
| Yenhere Corporation | 42.69 |
| Longjing Walking Tractor Works Foreign Trade Import & Export Corporation | 42.69 |
| Jilin Provincial Machinery & Equipment Import & Export Corporation | 42.69 |
| Shanxi Machinery and Equipment Import & Export Corporation | 42.69 |
| China-Wide Rate | 64.56 |

China-Wide Rate

A China-Wide Rate has been assigned to brake drums based on the highest margin calculated in the brake drums case and a China-Wide Rate has been assigned to brake rotors based on the highest margin calculated in the brake rotors case. The China-Wide rate assigned to each product applies to all entries of that product except for entries from exporters/factories that are identified individually above under each product type.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determinations. If our final determinations are affirmative, the ITC will determine before the later of 120 days after the date of these preliminary determinations or 45 days after our final determinations whether these imports are materially injuring, or threaten material injury to, the corresponding U.S. industry.

Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than January 8, 1997, and rebuttal briefs, no later than January 15, 1997. A list of authorities used and a summary of arguments made in the briefs should accompany these briefs. Such summary should be limited to five pages total, including footnotes. We will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. At this time, the hearing is scheduled for January 17, 1997, at 10:00–2:00 Room 1414, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B–099, within ten days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b) oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by January 16, 1996.

This determination is published pursuant to section 733(f) of the Act.

Dated: October 3, 1996.

Robert S. LaRussa,

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 96–26085 Filed 10–9–96; 8:45 am]

BILLING CODE 3510–DS–P

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**[C–475–819]**

## Notice of Initiation of Expedited Countervailing Duty Administrative Review: Certain Pasta From Italy

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

**ACTION:** Notice of initiation of expedited countervailing duty administrative review.

**SUMMARY:** In response to requests from two exporters, the Department of Commerce (the ''Department'') is initiating an expedited administrative review of the countervailing duty order issued in July 1996 covering imports of certain pasta from Italy.

**EFFECTIVE DATE:** October 10, 1996.

**FOR FURTHER INFORMATION CONTACT:** Jennifer Yeske or Todd Hansen, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, telephone: (202) 482–0189 and 1276, respectively.

**SUPPLEMENTARY INFORMATION:**

Background

We have received requests from two exporters of pasta from Italy, Pastificio Nuova Bettini S.p.A. and Pastificio Oleficio Mangimificio Bianconi S.p.A. for an expedited review of the countervailing duty order on certain pasta from Italy, which was published in the Federal Register on July 24, 1996 (61 FR 38544). These requests are consistent with 19 CFR 351.214(k), found in *Antidumping Duties; Countervailing Duties; Proposed Rule* published in the Federal Register on February 27, 1996 (61 FR 7308, 7367–68) (''*Proposed Regulations*'').

Initiation of Review

We are initiating an expedited review of the countervailing duty order on pasta from Italy as contemplated by 19 CFR 351.214(k) of the *Proposed Regulations*. We intend to issue the preliminary results of review not later than 180 days from the date of publication of this notice, and the final results of review within 90 days of the issuance of our preliminary determination.

| Countervailing duty proceeding | Period to be reviewed |
|---|---|
| Italy: Certain Pasta C–475–819 | |
| Pastificio Nuova Bettini S.p.A. | 1/1/94–12/31/94 |
| Pastificio Oleficio Mangimificio Bianconi S.p.A. | 1/1/94–12/31/94 |

Scope

The scope of the order for merchandise under review consists of certain non-egg dry pasta in packages of five pounds (or 2.27 kilograms) or less, whether or not enriched or fortified or containing milk or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastases, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by this scope is typically sold in the retail market, in fiberboard or cardboard cartons or polyethylene or polypropylene bags, of varying dimensions.

Excluded from the scope are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white. Also excluded are imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by the Associazione Marchigiana Agricultura Biologica (''AMAB'') or by Bioagricoop scrl.

The merchandise under order is currently classifiable under items 1902.19.20 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order remains dispositive.

Interested parties must submit applications for disclosure under administrative protective orders not later than the deadlines set forth in 19 CFR 355.34(b)(1) (i) and (iii).

This initiation and this notice are pursuant to section 751 of the Tariff Act of 1930 as amended.

Dated: October 4, 1996.

Robert S. LaRussa,

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 96–26087 Filed 10–9–96; 8:45 am]

BILLING CODE 3510–DS–P