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(c)(5).

Dated: March 31, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–8958 Filed 4–7–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–046]

Polychloroprene Rubber From Japan; Termination of Antidumping Administrative Review

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

ACTION: Notice of Termination of Antidumping Duty Administrative Review.

SUMMARY: In response to a request from the petitioner, E.I. Du Pont de Nemours & Company, Inc. (Du Pont), the Department of Commerce (the Department) published in the **Federal Register** (62 FR 2647, January 17, 1997) the notice of initiation of administrative review of the antidumping duty order on polychloroprene rubber from Japan with respect to Denki Kagujo K.K. (Denki), Denki/Hoei Sangyo Co. Ltd. (Denki/Hoei Sangyo), Mitsui Bussan, Showa Neoprene K.K. (Showa), Showa/Hoei Sangyo Co. Ltd. (Showa/Hoei Sangyo), Suzugo Corporation (Suzugo), Tosoh (formerly Toyo Soda) Corporation (Tosoh), and Tosoh/Hoei Sangyo Co., Ltd. (Tosoh/Hoei Sangyo), for the period December 1, 1995, through November 30, 1996. We received a request for withdrawal of this review from Du Pont on February 5, 1997. Because this request was timely submitted and because no other interested parties requested a review of these manufacturers/exporters, we are terminating this review. Unless otherwise indicated, all citations to the statute and to the Department's regulations are references to the provisions as they existed after January 1, 1995.

EFFECTIVE DATE: April 8, 1997.

FOR FURTHER INFORMATION CONTACT: Justin S. Jee, or Thomas F. Futtner, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–2657 or 482–3814.

SUPPLEMENTARY INFORMATION:

Background

On December 6, 1973, the Department of the Treasury published in the **Federal Register** (38 FR 35393) the antidumping finding on polychloroprene rubber (rubber) from Japan. On December 3, 1996, the Department published a notice of ''Opportunity to Request Administrative Review'' (61 FR 64050). On December 26, 1996, the petitioner, E.I. Du Pont de Nemours & Company, Inc. (Du Pont), requested that we conduct an administrative review for the period December 1, 1995, through November 30, 1996, covering eight producers and/or exporters: Denki Kagujo (Denki), Denki/Hoei Sangyo Co., Ltd. (Denki/Hoei Sangyo), Mitsui Bussan, Showa Neoprene K.K. (Showa), Showa/Hoei Sangyo Co., Ltd. (Showa/Hoei Sangyo), Suzugo Corporation (Suzugo), Tosoh (formerly Toyo Soda) Corporation (Tosoh), and Tosoh/Hoei Sangyo Co., Ltd. (Tosoh/Hoei Sangyo).

We published a notice of initiation of the antidumping administrative review on these companies on January 17, 1997 (62 FR 2647). On February 5, 1997, we received a withdrawal of request for review from Du Pont.

Pursuant to 19 CFR 353.22(a)(5) of the Department's regulations, the Department may allow a party that requests an administrative review to withdraw such request not later than 90 days after the date of publication of the notice of initiation of the administrative review.

Because Du Pont's request for termination was submitted within the 90 day time limit and there were no requests for review from other interested parties, we are terminating this review.

This notice is published in accordance with 19 CFR 353.22(a)(5).

Dated: April 1, 1997.

Jeffrey P. Bialos,

Principal Deputy Assistant Secretary for Import Administration.

[FR Doc. 97–8957 Filed 4–7–97; 8:45 am]

BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

International Trade Administration

[C–489–502]

Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe From Turkey; Preliminary Results of Countervailing Duty Administrative Reviews

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

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

SUMMARY: The Department of Commerce (''the Department'') is conducting administrative reviews of the countervailing duty orders on certain welded carbon steel pipes and tubes and welded carbon steel line pipe from Turkey. For information on the net subsidy for each reviewed company for each class or kind of merchandise, as well as for all non-reviewed companies, see the *Preliminary Results of Reviews* section of this notice. If the final results remain the same as these preliminary results of administrative reviews, we will instruct the U.S. Customs Service to access countervailing duties as detailed in the *Preliminary Results of Reviews* section of this notice. Interested parties are invited to comment on these preliminary results. (See *Public Comment* section of this notice.)

EFFECTIVE DATE: April 8, 1997.

FOR FURTHER INFORMATION CONTACT: Stephanie Moore or Cameron Cardozo, Office of Countervailing Duty/Antidumping Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482–2849 or (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On March 7, 1986, the Department published in the **Federal Register** (51 FR 7984) the countervailing duty orders on certain welded carbon steel pipes and tubes (pipe and tube) and certain welded carbon steel line pipe (line pipe) from Turkey. On March 4, 1996, the Department published a notice of ''Opportunity to Request Administrative Review'' (61 FR 8238) of these countervailing duty orders. We received timely requests for reviews, and we initiated the reviews, covering the period January 1, 1995 through December 31, 1995, on April 25, 1996 (61 FR 18378).

In accordance with 19 CFR 355.22(a), the review on pipe and tube covers Erciyas Boru Sanayii ve Ticaret A.S. (Erbosan), a pipe and tube producer and exporter, who specifically requested the review. The review on line pipe covers Mannesmann-Sumerbank Boru Endustrisi T.A.S. (Mannesmann), a line pipe producer and exporter, who specifically requested the review. These reviews also cover 28 programs.

On November 6, 1996, we extended the period for completion of the preliminary results pursuant to section 751(a)(3) of the Tariff Act of 1930, as amended. We extended the preliminary results to no later than March 31, 1997 (see 61 FR 57398). The final results will be issued no later than 120 days from the date on which the preliminary results are published.

Applicable Statute

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

Scope of Reviews

Imports covered by these reviews are shipments from Turkey of two classes or kinds of merchandise: (1) Certain welded carbon steel pipe and tube, having an outside diameter of 0.375 inch or more, but not over 16 inches, of any wall thickness. These products, commonly referred to in the industry as standard pipe and tube or structural tubing, are produced to various American Society for Testing and Materials (ASTM) specifications, most notably A–53, A–120, A–135, A–500, or A–501; and (2) certain welded carbon steel line pipe with an outside diameter of 0.375 inch or more, but not over 16 inches, and with a wall thickness of not less than .065 inch. These products are produced to various American Petroleum Institute (API) specifications for line pipe, most notably API–L or API–LX. These products are classifiable under the harmonized Tariff Schedule of the United States (HTSUS) item numbers 7306.30.10 and 7306.30.50. The HTSUS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Verification

As provided in section 782(i) of the Act, we verified information submitted by the Government of Turkey (GOT), Erbosan, and Mannesmann, We followed standard verification procedures, including meeting with government and company officials and examination of relevant accounting and financial records and other original source documents. Our verification results dated March 17 and March 25, 1997, are outlined in the public versions of the verification reports, which are on file in the Central Records Unit (CRU) (Room B–099 of the Main Commerce Building).

Analysis of Programs

I. Programs Conferring Subsidies

A. Programs Previously Determined To Confer Subsidies

1. Pre-Shipment Export Credit. The Export Credit Bank of Turkey (Turk Eximbank) provides short-term pre-shipment export loans to exporters through intermediary commercial banks. The program is designed to support export-related industries from the initial stage of production. Loans are made to exporters who commit to export within a specified period of time. Generally, loans are extended for 120 days for industrial goods and cover 50 to 75 percent of the FOB export value. During the period of review (POR), both companies under review were eligible for pre-shipment export loans amounting to 50 percent of the FOB value of exports, for a maximum of 120 days. These loans are denominated in Turkish Lira (TL) and repaid in TL. The interest rate charged on these pre-shipment loans is established by Turk Eximbank and is tied to the Central Bank's rediscount rate.

In the Final Affirmative Countervailing Duty Determination: Certain Pasta from Turkey 61 FR 30366 (June 14, 1996) (Pasta), the Department found this program specific and, therefore, countervailable because receipt of the loans is contingent upon export performance and the interest rate paid on these loans is less than the amount the recipient would pay on a comparable commercial loan. In Pasta, we found that these loans were tied to specific destinations; however, in these reviews, we find these loans to be untied. Although an exporter files a loan application in which the export destination is listed, we verified that the actual destination of the shipments may be different from the one(s) stated in the loan application. The exporter has to only show that an export has taken place, and provide the foreign currency exchange receipts from the commercial bank to close out the loan with Turk Eximbank. Because the loans are not specifically tied to a particular destination at the time of approval, we preliminarily determine that the pre-shipment loan program is an untied export loan program. For further discussion, see the GOT and the company Verification Reports (Public Versions) dated March 17 and March 25, 1997, which are on file in the CRU.

Section 771(5)(E)(ii) of the Act states that, in the case of a loan, if there is a difference between the amount the recipient of the loan pays on the loan and the amount the recipient would pay on a comparable commercial loan that the recipient could actually obtain on the market, then a countervailable benefit is bestowed. In this case, as the benchmark interest rates, we are using company-specific interest rates on comparable commercial loans to calculate the benefit for any pre-shipment loans that were taken out by Erbosan or Mannesmann in 1994 and repaid in 1995, and any pre-shipment loans that were taken out in 1995 and repaid in 1995. (See company Verification Reports). Because the Department considers Turkey to be hyper-inflationary based on a Consumer Price Index rate of approximately 67 percent during the POR. (see Pasta at page 30367; see, also, Preliminary Results of Antidumping Duty Administrative Review: Gray Portland Cement and Clinker from Mexico, 61 FR 51676, 51681 (October 3, 1996)), we also preliminarily determine that it is appropriate to use monthly average short-term interest rates. Where monthly company-specific interest rates for Erbosan or Mannesmann are unavailable, we have used the monthly average interest rates charged by a commercial bank in Turkey on domestic TL loans. See commercial bank Verification Report (Public Version) on file in CRU. Using these benchmarks, we continue to find these pre-shipment export loans countervailable because the interest rate charged is less than the rate for comparable commercial loans that the company could actually obtain in the market.

Government Resolution Number: 94/5782, Article 4, effective June 13, 1994, allows for the exemption of certain fees that are normally charged on loans provided that the loans are used in financing exportation and other foreign exchange earning activities. For pre-shipment loans, which are denominated in TL, the fees that are exempted are the Bank and Insurance and Services Tax (BIST) of 5 percent of the interest rate, and the Resource Utilization Support Fund (RUSF) fee of 6 percent of the interest rate. The Department's current practice is normally to compare effective interest rates rather than nominal rates. The ''effective'' interest

rates are intended to take account of the actual cost of the loan, including the amount of any fees, commissions, compensating balances, government charges or penalties paid in addition to the ''nominal'' interest rate. Therefore, we have added the exempted customary banking fees to the commercial bank's benchmark interest rates. See e.g., Certain Iron-Metal Castings from India: Final Results of Countervailing Duty Administrative Review, 60 FR 44843 (August 29, 1995) (Castings).

To determine the benefit, we calculated the countervailable subsidy as the difference between actual interest paid on pre-shipment loans during the POR and the interest that would have been paid using the benchmark interest rates plus the customary banking fees. This difference was divided by the company's total export sales during the POR. On this basis, we preliminarily determine the countervailable subsidy to be 1.77 percent ad valorem for Erbosan, the pipe and tube producer, and 0.73 percent ad valorem for Mannesmann, the line pipe producer.

B. Other Programs Preliminarily Determined To Confer Subsidies

1. Investment Allowance. The General Incentives Program (GIP) is designed to increase investment in Turkey and to expand the Turkish economy. Under the GIP, companies may apply to the Undersecretariat of Treasury (UT) for investment incentive certificates. The investment incentive certificates entitle the holders to a number of specified benefits, such as investment allowances, related to an investment project. The investment allowance provides companies with a corporate tax exemption of between 30 percent and 100 percent of their total fixed investment depending upon the geographical location, sector and the value of the investment. During the POR, for purposes of GIP, Turkey was divided into four types of geographic regions: (1) Developed; (2) normal; (3) priority two; and (4) priority one. Companies located in first or second priority regions for development within Turkey, which are lesser-developed regions, are entitled to higher rates of deduction than companies located in the developed or normal regions.

Both companies were approved in 1994 for GIP investment certificates. They claimed an investment allowance on their corporate income tax returns filed during the POR. Erbosan, because it is located in a normal region, is eligible for an investment allowance of 40 percent, while Mannesmann, because it is located in a development region, is only eligible for the minimum investment allowance of 30 percent, which is the minimum investment allowance provided to all companies under GIP regardless of location or type of industry. See *e.g.*, Certain Welded Carbon Steel Pipe and Tube Products from Turkey; Preliminary Results of Countervailing Duty Administrative Review, 52 FR 47621, 47622 (December 15, 1987) and Certain Welded Carbon Steel Pipe and Tube Products from Turkey; Final Results of Countervailing Duty Administrative Review, 53 FR 9791 (March 25, 1988), Because the 30 percent investment tax is not limited to a specific enterprise or industry or group thereof, nor limited to companies located in specific regions, pursuant to section 771(5A)(D) we preliminarily determine that the 30 percent minimum investment allowance under GIP is not countervailable.

However, because the investment allowance of 40 percent received by Erbosan (designated for companies located in a normal region) is 10 percent higher than the minimum 30 percent allowance provided to all sectors and geographic regions within Turkey, the difference results in a higher tax savings to the company due to its geographic location. Therefore, we preliminarily determine that the provision of a higher investment allowance of 40 percent to certain regions is specific and, therefore, countervailable within the meaning of section 771(5A)D)(iv) of the Act. See also Industrial Phosphoric Acid from Israel; Preliminary Results of Countervailing Duty Administrative Reviews, 61 FR 8255, 8257 (March 4, 1996) and Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews, 61 FR 28841 (June 6, 1996).

We preliminarily determine that the benefits under the investment allowance program are ''recurring'' because once a company has a fixed asset investment project approved, it becomes eligible to deduct an investment allowance from its corporate income tax returns; therefore, the receipt of the benefit is automatic and continues year to year. To calculate the benefit for Erbosan, we first multiplied its total fixed investment by 10 percent, the amount Erbosan receives about the 30 percent allowance available throughout the country. We then computed the company's tax rate. The company paid four separate corporate taxes. These included a 25 percent corporate tax, an interim tax in the amount of 10 percent of the corporate tax, a ''stopaj'' tax equal to 10 percent of 75 percent of its net taxable income and a fund tax equal to 10 percent of the ''stopaj'' tax. The sum of these taxes equals a total corporate tax rate of 35.75 percent. We the multiplied the countervailable portion of the investment allowance deduction by the tax rate of 35.75 percent, and obtained the tax savings for the company. Next, we divided the tax savings by the company's total sales. On this basis, we preliminarily determine the countervailable subsidy to be 0.02 percent ad valorem for Erbosan, for pipe and tube.

2. Export Incentive Certificate Customs Duty and Other Tax Exemptions. Under Turkey's duty drawback program, companies are permitted to import spare parts free of customs duties and other taxes levied on imports used in the manufacture of goods to be exported. To obtain these benefits, companies must file a project application with the Undersecretariat for Foreign Trade (UFT) that describes the spare parts to be imported and the FOB value of the exports that they will be used to produce. The CIF value of the imported spare parts cannot exceed two percent of the FOB export commitment. On July 17, 1995, the program was changed to permit spare parts to be imported provided that the CIF value of the spare parts did not exceed 5 percent of the FOB export commitment. The UFT subsequently issues duty drawback certificates to the companies that describe the spare parts and instructed Customs that these items are to be free of duties. However, the companies must pay value added tax on the imports.

We preliminarily determine that this program is a subsidy and is specific within the meaning of section 771(5A)(B) of the Act, because eligibility for the program is contingent upon export performance and the spare parts imported under this program were utilized in machinery that produces, among other things, the subject merchandise. See *e.g.*, Ball Bearings and Parts Thereof from Thailand: Final Results of Countervailing Duty Administrative Review, 62 FR 728, 731 (January 6, 1997).

To calculate the benefit, we divided the total amount of duties and taxes exempted on spare parts imported during the POR for each company under review, by the total value of exports during the POR. On this basis, we preliminarily determine the benefit from this program to be 0.06 percent ad valorem for Erbosan for pipe and tube, and 0.02 percent ad valorem for Mannesmann for line pipe.

3. Foreign Exchange Loan Assistance. The GOT Resolution Number: 94/5782, Article 4, effective June 13, 1994 concerning the encouragement of exportation, allows commercial banks to exempt certain fees provided that the

loans are used in the financing of exportation and other foreign exchange earning activities. We preliminarily determine that this program is specific and, therefore, countervailable within the meaning of section 771(5A)(B) because the exemption of the fees is contingent upon export performance.

Both companies received and paid interest on foreign currency loans from commercial banks and were exempted from paying the customary BIST of 5 percent of the interest rate and the RUSF fee of 6 percent of the principal. Unlike pre-shipment loans that are denominated in TL where the RUSF fee is 6 percent of the interest rate, the RUSF fee for foreign currency loans is calculated as 6 percent of the principal. At verification, we found that Mannesmann's foreign currency loans were tied to destinations other than to the United States. We found that Erbosan's foreign currency loans were provided for both U.S. and non-U.S. shipments, and were not tied to a particular destination. For further discussion, see the companies' Verification Reports.

We preliminarily determine that these fee exemptions are a direct transfer of funds from the GOT providing a benefit in the amount of the exemption. (See discussion of the ''Pre-shipment Loans'' program above). See also, Castings at 44843. We also preliminarily determine that the benefits are recurring because once the company obtains a foreign currency loan it is automatically exempted from paying the fees. To calculate the benefit for this program, we computed the exempted fees on the interest or principal of Erbosan's foreign currency loans. These loans are dollar denominated. Therefore, we converted these exempted fee amounts to TL using the exchange rate in effect during the month in which the loans were repaid or interest paid, and divided the result by the company's total exports. On this basis, we preliminarily determine the net subsidy to be 1.14 percent ad valorem for Erbosan for pipe and tube.

4. Freight Program. The GOT Decree number 93/43, effective October 13, 1993, provided freight rebate payments to exporters in the amount of $50 per ton for merchandise exported on Turkish vessels, and $30 per ton for merchandise exported on non-Turkish vessels, capped at 10 percent of the FOB value of the goods. In February 1994, Decree number 94/4 raised the cap to 15 percent of the FOB value of the goods. Benefits under this program were provided in the form of 30 percent cash and 70 percent treasury bonds with a two-year maturity. Companies were eligible to receive interest on bonds on the one-year anniversary date of the issuance of the bonds and on the date of the maturity of the bonds. The program was terminated on December 31, 1994, and there will be no payments on shipments made after January 1, 1995.

We preliminarily determine that these export grants and bonds are countervailable export subsidies within the meaning of section 771(5A)(B) of the Act. The grants and bonds are a direct transfer of funds from the GOT providing a benefit in the amount of the cash grants and bonds. We further preliminarily determine that the benefits under the Freight Program are ''recurring.'' Once a company has exported and submitted documentation to the Central Bank it becomes eligible for the cash grants or bonds. The receipt of benefits is automatic and continued throughout the life of the program. (Pasta at page 30369). See also Allocation Section of the General Issues Appendix in Final Affirmative Countervailing Duty Determination: Certain Steel Products from Austria (58 FR 37217, 37268–69, July 9, 1993) (''General Issues Appendix'').

During the POR, Erbosan received cash and bonds under the freight rebate program based on exports made in 1994. The bonds were received by Erbosan on May 1, 1995 and mature on May 1, 1997; interest was payable on May 1, 1996 and on the date of maturity. During the POR, Mannesmann received cash and bonds for exports made in 1994, but we verified that the company did not receive any payments under the freight program during the POR for exports to the United States.

The Department's practice has been to deem the benefit to be received at the time of export countervailable if the benefit is calculated as a percentage of the FOB value and the amount of the benefit is known at the time of export. See *e.g.*, Castings at 44843. Although the benefit under the freight program is calculated based on tonnage and not the percent of exports, we note that a benefit determined by the amount of the tonnage may also be known at the time of export.

However, the facts in this case establish that the exporter did not know the amount of benefit at the time of export. Although the freight payments were stated in U.S. dollars per ton, the exporter received the benefit in TL. The exporter did not know at the time of export what exchange rate would be used to convert the dollar equivalent payments into TL. Given the high inflation rate in Turkey (based on a CPI rate of approximately 65 percent in 1993, and 114 percent in 1994), there was no way for the exporter to predict at the time of export what the dollar equivalent in TL would be. In February 1995, the GOT announced that it would convert the dollar amount of the freight payments using the exchange rate that was in effect on December 31, 1994. Thus, the exporter did not know the amount of the benefit at the time of export. See the GOT Verification Report (page 12). This position is consistent with the Department's analysis of a similar program in Pasta where we determined that the benefit should be treated as having been bestowed when the cash was received rather than earned. (See discussion of Payments for Exports on Turkish Ships program in Pasta at 30369). As such, we preliminarily determine that the benefits under this program are bestowed when the cash is received with respect to the cash payments, and not when the benefit is earned.

With regard to the bonds portion of the rebate, we preliminarily determine that the benefits from the bonds are bestowed on the date of maturity. This is due to the fact that, even though there were not restrictions on the sale or transfer of the bonds, because of the rate of inflation, there was no secondary market to allow exporters to convert their bonds to cash (*see* GOT, company, and commercial bank Verification Reports). Therefore, the exporters have no choice but to hold the bonds until maturity. (Pasta at page 30368).

The benefits under the freight program are made on a shipment-by-shipment basis. Because the benefits are shipment-specific, and we are able to segregate the shipments according to the country of destination, we preliminarily determine that they are tied to a particular destination. Therefore, where a benefit is tied or can be tied to exports to the United States, we calculate the ad valorem subsidy rate by dividing the benefit by the firm's total exports to the United States. See, *e.g.*, Notice of Final Results of Countervailing Duty Administrative Review: Roses and Other Cut Flowers from Columbia, 52 FR 48847, 48848 (December 28, 1987). We have preliminarily calculated Erbosan's benefit from this program by dividing the total amount of grants received for exports to the United States during the POR by Erbosan's total exports to the United States during the POR. On this basis, we preliminarily determine the net subsidy to be 1.02 percent ad valorem for Erbosan for pipe and tube.

5. Resource Utilization Support Premium. a. Program Description. Under the Resource Utilization Support Premium program (RUSP), a company can request benefits for a proposed

investment project, as well as other General Incentives Program (GIP) benefits, at the time it submits an application to the General Directorate of Incentive and Applications (GDIA) for an investment incentive certificate (see discussion of the ''Investment Allowance'' program above). If the GDIA approves the investment project described in the application, it will issue to the company an investment incentive certificate which lists the GIP benefits bestowed. During the POR, Erbosan received RUSP payments for an investment project related to the production of standard pipe and tube.

RUSP payments were given to companies to encourage them to use their own equity, rather than loans or credit, to finance their GIP investment project. The amount of the benefit is applied to that portion of the fixed investment which is financed by the investor's own resources. Erbosan is located in a region designated as a normal region by the GDIA. All companies located in normal regions are eligible for RUSP payments of 15 percent of their investment. Companies located in developed regions are not eligible for RUSP payments. Mannesmann is located in a developed region and is not eligible for RUSP payments, and we also verified that Mannesmann never received RUSP payments.

The RUSP was terminated in 1991, and GIP investment incentive certificates issued after 1991 were no longer eligible to receive RUSP payments. Erbosan's investment incentive certificate was issued in 1990 and expired on December 31, 1994. Erbosan received its RUSP benefits in 1994 in the form of treasury bonds with a maturity date in 1995. During the POR, Erbosan received the full amount of the face value of the bonds, plus interest.

Because RUSP assistance is provided by the GOT only to industries located within specifically designated geographical regions of Turkey—*i.e.*, in this case, the normal region—we preliminarily determine that this program provides a countervailable regional subsidy within the meaning of section 771(5A)(D)(iv).

b. Claim for ''Green Light'' Subsidy Treatment of RUSP. Section 771(5B) of the Act describes subsidies that are non-countervailable (''green light'' subsidies). Among these green light subsidies are subsidies to disadvantaged regions. The GOT requested that the RUSP program be considered non-countervailable under section 771(5B)(C) of the Act because the benefit is provided only to disadvantaged regions.

The RUSP program is one of many programs that distribute benefits on a regional basis under the umbrella of the General Incentives Program (GIP). Under GIP, provinces were categorized by the GOT into one of the following four types of development regions: developed; normal; priority two; and priority one according to their level of development. By offering an increasing level of benefits to lesser developed regions, regional assistance programs under GIP were designed not only to further development, particularly in the two priority regions, but also to reduce the disparities among the four regions. As stated in the Fifth Five Year Development Plan (1984–1989), the GOT's goal was to ''develop the Priority Development areas * * * and reduce and, in time, eradicate, the difference of development existing between these and other regions.'' (See Attachment 1 of January 21, 1997 GOT response.) The various economic incentive programs would complement other development activities such as housing and infrastructure projects.

According to the questionnaire responses, Turkish provinces are classified into these development regions based on the results of the Principal Component Analysis, an econometric model that generates a development coefficient based on the selected socioeconomic development variables. The State Planning Organization (SPO) conducts a Principal Component Analysis for every province and creates an index that ranks the provinces from most to least developed according to the development coefficients generated by the Principal Component Analysis.

Section 771(5B)(C) of the Act specifies the conditions that must be met for a program to qualify for green light status: it is part of a general regional development policy and each region is a clearly designated contiguous geographical area with a definable economic and administrative identity; the assistance is generally available; the assistance is not for regions suffering only temporary disadvantage; the eligibility criteria are clearly stated in law or an official document and capable of verification; and the eligibility criteria are neutral and objective, and include a measurement of economic development. The SAA states that the green light provision governing assistance for disadvantaged regions must be strictly construed and that the Department must determine that all of these statutory criteria have been satisfied. (See Statement of Administrative Action accompanying the URAA, reprinted in H.R. Doc. No. 316, 103d Cong., 2d Sess. 919 (1994)) (SAA).

In order to examine the criteria regarding economic development, section 771(5B)(C)(ii) of the Act instructs the Department to examine the respondent's measurement of economic development over a three-year period. Although it received benefits under this program during the POR, Erbosan was approved for receipt of these benefits in 1991. The Department's standard practice when analyzing the countervailability of programs is to examine data from the time period when the subsidy was approved. In this case, the RUSP was in effect from 1989–1991, and this time period serves as our three-year period for analysis.

In their January 29, 1997 questionnaire response, the GOT provided an excerpt from a 1991 SPO publication which listed the 53 economic and social variables used in the Principal Component Analysis to generate the socioeconomic development index that is the basis for the SPO's ranking of the provinces from most to least developed. The excerpt also included a list of 67 provinces ranked by the SPO from most to least developed. Respondents claimed that this list, originally published in a 1973 SPO publication, was still valid for the 1989–1991 period.

At verification, we requested to see documentation, such as the index generated by the Principal Component Analysis, the Principal Component Analysis for that period, or SPO publications or reports that supported the ranked list of 67 provinces described above and the classification of provinces into the four development regions during the relevant 1989–1991 period. Although respondents had supporting documentation for a 1996 Principal Component Analysis used to reexamine the regional designations, no supporting documentation was available for the Principal Component Analysis used to designate provinces into development regions during the applicable 1989–1991 period. According to respondents, the supporting documentation for that period was no longer available. For further discussion, see the GOT Verification Report (pages 10–11).

Using the limited information provided in the response and at verification, the team sought to examine whether the 1989–1991 Principal Component Analysis rankings (based on the list from the January 29, 1997 submission) corresponded with the provinces' regional designations for 1989–1991. The provinces were rank

ordered from first, most developed, to 67th, least developed. Presumably, the actual designations of the provinces—developed, normal, first priority, and second priority—should have closely followed the Principal Component Analysis index of economic development. However, the designation of provinces into development regions did not track closely to the Principal Component Analysis rankings. For example, Bilecik and Ordu provinces, respectively ranked at 52 and 58 (out of a possible 67) were listed as normal regions, while Zonguldak, ranked at 13, was listed as Priority One in 1990 and 1991. In addition, four provinces, Zonguldak, Erzincan, Artvin and Sanliurfa, were reclassified between 1989 and 1991 without any Principal Component Analysis being undertaken.

GOT officials accounted for these discrepancies by explaining that the Principal Component Analysis is not the only basis for determining a province's regional designation. The Principal Component Analysis is only one step (albeit the primary one) toward determining the regional designations. The final determination is made by the Council of Ministers, taking into account factors that cannot be enumerated by the Principal Component Analysis, including the promotion of other development policies and goals (*e.g.*, privatization,), the impacts upon, and relationships with, other regional and non-regional development policies and programs, and the Ministers experience in development issues and programs. (For a further discussion, see the GOT Verification Report (page 11).)

In order for a subsidy to be considered non-countervailable because it is provided in a disadvantaged region, section 771(5B)(C)(i)(II) of the Act states that ''[e]ach region is considered a disadvantaged region on the basis of neutral and objective criteria indicating that the region is disadvantaged * * *.'' On this basis, the RUSP assistance is not entitled to green light treatment. The information on the record indicates that the designations of disadvantaged regions do not correspond with an analysis based on neutral and objective criteria, purportedly the Principal Component Analysis. Rather, the GOT can make the final decisions regarding the designation of economic development regions based on criteria that are neither neutral nor objective. Since the SAA states that all of the green light criteria, listed above, must be met, we do not intend to analyze the GOT's compliance with the remaining criteria. As a result, benefits provided under the RUSP program do not qualify as non-countervailable green light subsidies. See *e.g.*, Preliminary Affirmative Countervailing Duty Determination; Certain Pasta from Italy, 60 FR 53739, 53742 (October 17, 1995) and Final Affirmative Countervailing Duty Determination: Certain Pasta from Italy, 61 FR 30288 (June 14, 1996).

c. Subsidy Calculation. Although Erbosan received the RUSP bonds in 1994, the cash flow was realized in 1995 when the principal and interest from the bonds were paid. We verified that there is no secondary market for the resale of treasury bonds in Turkey and, therefore, Erbosan could not realize a cash flow until 1995 (the POR) when the bonds reached maturity. See Erbosan Verification Report (page 7). We also preliminarily determine that the RUSP benefits are non-recurring because they are exceptional and the recipient cannot expect to receive benefits on an ongoing basis. However, because the amount received under this program is less than 0.50 percent of Erbosan's total sales, we are allocating the total benefit to the POR. See *e.g.*, Industrial Phosphoric Acid from Israel; Preliminary Results of Countervailing Duty Administrative Review, 61 FR 28845, 28847 (June 6, 1996) and Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Review, 61 FR 53351 (October 11, 1996). We calculated the benefit for the POR by dividing the RUSP payments by Erbosan's total sales of subject merchandise during the POR. On this basis, we preliminarily determine the benefit from this program to be 0.05 percent ad valorem for the POR.

The GOT terminated the RUSP program in 1991 and GIP investment incentive certificates issued after 1991 were no longer eligible to receive RUSP payments. We verified that Erbosan has no investment incentive certificates that were issued before 1991 that are still valid. Therefore, we consider this program terminated with no residual benefits. The termination of RUSP constitutes a program-wide change; and because there are no residual benefits, the cash deposit rate for Erbosan will be adjusted to zero for this program. See *e.g.*, *Pasta*, 61 FR 30370.

II. Programs Preliminarily Determined To Be Not Used

We examined the following programs and preliminarily determine that the producers and/or exporters of the subject merchandise did not apply for or receive benefits under these programs during the period of review:

1. Resource Utilization Support Fund
2. State Aid for Exports Program
3. Advance Refunds of Tax Savings
4. Export Credit Through the Foreign Trade Corporate Companies Rediscount Credit Facility (Eximbank)
5. Past Performance Related Foreign Currency Export Loans (Eximbank)
6. Export Credit Insurance (Eximbank)
7. Subsidized Turkish Lira Credit Facilities
8. Subsidized Credit for Proportion of Fixed Expenditures
9. Fund Based Credit
10. Regional Subsidies
    a. Additional Refunds of VAT (VAT+10%)
    b. Postponement of VAT on Imported Goods
    c. Incentive Premium on Domestically Obtained Goods (Rebate of VAT on Domestically-Sourced Machinery and Equipment)
    d. Land Allocation (GIP)
    e. Taxes, Fees (Duties), Charge Exemption (GIP)

III. Programs Preliminarily Determined To Be Terminated

We preliminarily determine that the following programs have been terminated and there are no residual benefits:

1. Export Performance Credits

The Export Performance Credit program, which was administered by the Central Bank of Turkey, provided credits to manufacturers and exporters based on a percentage of the FOB value of their exports. The certificates were issued for shipments made between March 7, 1994 and December 31, 1994. It is the Department's practice in the case of an export benefit provided as a percentage of the value of the exported merchandise that the benefit is bestowed on the date of the export. See *e.g.*, *Castings* at 44843. Under this program, the exporters received the TL equivalent of a fixed percentage of their U.S. dollar exports. Although at the time of receipt, the exporters received more TL than at the time of export, the value of the TL amount remained the same in U.S. dollar terms. Therefore, we preliminarily determine that the benefit occurred at the time of export in 1994.

2. Deduction from Taxable Income for Export Revenues
3. Preferential Export Financing Under Decree 84/8861
4. Interest Spread Return Program (GIP)
5. Export Credits Under Communique No. 1
6. Corporate Tax Deferral
7. Payment of Certain Obligations of Firms Undertaking Large Investments
8. Subsidized Credit in Foreign Currency

Preliminary Results of Review

In accordance with 19 C.F.R. 355.22(c)(4)(ii), we calculated an individual subsidy rate for each producer/exporter subject to each administrative review. For the period January 1, 1995 through December 31, 1995, we preliminarily determine the net subsidy to be as follows:

Manufacturer/exporter of line pipe	Assessment rate (percent)
Mannesmann	0.75

Manufacturer/exporter of line pipe and tube	Assessment rate (percent)
Erbosan	4.06

If the final results of these reviews remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service (''Customs'') to assess countervailing duties as indicated above.

The Department also intends to instruct Customs to collect cash deposits of estimated countervailing duties as indicated below of the f.o.b. invoice price on all shipments of each class or kind of merchandise from reviewed companies, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of these reviews.

Manufacturer/exporter of line pipe	Cash deposit rate (percent)
Mannesmann	0.75

Manufacturer/exporter of pipe and tube	Cash deposit rate (percent)
Erbosan	4.01

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. See 19 CFR section 355.22(a). Pursuant to 19 CFR 355.22(g), for all companies for which a review was *not* requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. See *Federal-Mogul Corporation and The Torrington Company* v. *United States*, 822 F.Supp. 782 (CIT 1993) and *Floral Trade Council* v. *United States*, 822 F.Supp. 766 (CIT 1993) (interpreting 19 CFR 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR section 355.22(g)). Therefore, the cash deposit rates for all companies except those covered by these reviews will be unchanged by the results of these reviews.

We will instruct Customs to continue to collect cash deposits for non-reviewed companies under each order at the most recent company-specific or country-wide rate applicable to the company under that order. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by these orders are those established in the most recently completed administrative proceeding. See Certain Welded Carbon Steel Pipe and Tube Products from Turkey; Final Results of Countervailing Duty Administrative Review, 53 FR 9791. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1995 through December 31, 1995, the assessment rates applicable to all non-reviewed companies covered by these orders are the cash deposit rates in effect at the time of entry.

Public Comments

Parties to the proceeding may request disclosure of the calculation methodology and interested parties may request a hearing not later than 10 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted seven days after the time limit for filing the case brief. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. Any hearing, if requested, will be held seven days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 355.38.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR 355.38, are due. The Department will publish the final results of these administrative reviews, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

These administrative reviews and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)).

Dated: March 31, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–8955 Filed 4–7–97; 8:45 am]

BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

[Docket No. 970326070–7070–01]

RIN 0693–XX31

Notice of Termination of Validation Services for Federal Information Processing Standards (FIPS)

AGENCY: National Institute of Standards and Technology (NIST), Commerce.

ACTION: Notice; termination of validation services.

SUMMARY: The NIST is terminating validation services for: FIPS 127–2, Database Language SQL, and FIPS 128–2, Computer Graphics Metafile, Continuous Acquisition and Life-Cycle Support Profile (CGM (CALS)), and considering terminating validation services for FIPS 21–4, COBOL; FIPS 69–1, Fortran; FIPS 128–2, Computer Graphics Metafile, Air Transport Association Profile (CGM (ATA)); FIPS 151–2, POSIX; and FIPS 160, C. Comments are solicited.

NIST announced by Department Organization Order 30–2B the formation of the Information Technology Laboratory (ITL). Under the new ITL organization, NIST is refocusing its program for information technology, concentrating on the development of conformance tests for emerging information technologies rather than the operation of software testing services.

Therefore, the NIST is terminating validation services for FIPS 127–2, SQL, and FIPS 128–2, CGM (CALS), effective July 1, 1997. The NIST is considering terminating validation services for FIPS 21–4, COBOL; FIPS 69–1, Fortran; FIPS 128–2 CGM (ATA); FIPS 151–2, POSIX; and FIPS 160, C, effective September 30, 1997. Advance notice of this termination is given so that interested parties may establish testing services if they wish to do so. Federal, state, and local government agencies requiring validation of implementations for conformance to the above standards