(202) 482–1777 or (202) 482–5288, respectively, Office of AD/CVD Enforcement II, Import Administration, International Trade Administration, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On June 14, 1996, the Department published its final determination of sales at less than fair value in the antidumping duty investigation of certain pasta from Italy. On July 24, 1996, the Department published an amended final determination. Subsequently, De Cecco, *et al.*, filed lawsuits with the Court challenging the extension of provisional measures described above. On October 2, 1997, the CIT issued its opinion granting plaintiffs' and plaintiff-intervenors' motions. In its opinion, the CIT found that the Department had improperly extended the provisional measures period, as there had not been a proper request from exporters to extend this period. On October 23, 1997, the CIT directed the Department to issue instructions to implement its decision.

In its decision in *Timken Co.* v. *United States*, 893 F.2d 337 (Fed. Cir. 1990) (''*Timken*''), the United States Court of Appeals for the Federal Circuit held that, pursuant to 19 U.S.C. 1516a(e), the Department must publish a notice of a court decision that is not ''in harmony'' with a Department determination, and must suspend liquidation of entries pending a ''conclusive'' court decision. The decision of the CIT in *De Cecco* constitutes a decision not in harmony with the Department's final determination. This notice fulfills the publication requirements of *Timken*.

Absent an appeal, or, if appealed, upon a ''conclusive'' court decision affirming the CIT's judgment, the Department will direct the U.S. Customs Service to: (1) Lift the suspension of liquidation, release any bonds or other security posted, and refund any and all cash deposits paid as estimated antidumping duties on any and all entries of the subject merchandise which were produced by the following producers:

F.lli Ce Cecco di Filippo San Martino S.p.A.
Rummo S.p.A. Molina e Pastificio
La Molisana Industrie Alimentari S.p.A.
Pastificio Fratelli Pagani S.p.A.
Industria Alimentari Colavita S.p.A.

or imported by the following importers:

Agrusa, Inc.
Bel Canto Fancy Foods, Ltd.
Cento Fine Foods, Inc. (Alanric Food Distributors)
George De Lallo Co., Inc.
Domil, Inc.
Ferrara Food Co., Inc.
Gourmet Award Foods
I.T. & M, Inc.
Italfoods, Inc.
La Pace Imports, Ltd.
Med-USA Corporation
Musco Food Corp.
The Pastene Companies, Ltd.
Rienzi & Sons
Ron-Son Mushroom Products, Inc.
Santini Foods, Inc.
Sinco, Inc.
World Finer Foods, Inc

and were entered, or withdrawn from warehouse for consumption, after May 18, 1996, and before July 24, 1996; and (2) liquidate those entries without regard to any antidumping duty; and (3) pay any such refunds of cash deposits in accordance with law, including interest, from the date of entry at the rate(s) as announced from time to time by the Customs Service pursuant to Title 19, United States Code, Section 1505(c). Liquidation of such entries is suspended pending final and conclusive disposition.

Dated: December 5, 1997.

Richard W. Moreland,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 97–32694 Filed 12–12–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–825]

Sebacic Acid From the People's Republic of China; Final Results of Antidumping Duty Administrative Review

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

ACTION: Notice of final results of antidumping duty administrative review of sebacic acid from the People's Republic of China.

SUMMARY: On August 8, 1997, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on sebacic acid from the People's Republic of China (PRC) (62 FR 42755). This review covers shipments of this merchandise to the United States during the period of July 1, 1995, through June 30, 1996. We gave interested parties an opportunity to comment on our preliminary results. Based upon our analysis of the comments received we have changed the results from those presented in the preliminary results of the review. In accordance with the decision in *Sigma Corp.* v. *the United States*, 117 F.3d 1401 (Fed. Cir. 1997), we revised our calculations of source-to-factory surrogate freight for those material inputs that are based in CIF import values in the surrogate country. We have added to CIF surrogate values from India, a surrogate freight cost using the shorter of the reported distances from either the closest PRC port to the factory, or from the domestic supplier to the factory. *See Notice of Final Determination of Sales at Less Than Fair Value: Collated Roofing Nails from the People's Republic of China*, 62 FR 51415, 51410 (October 1, 1997); *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China* 62 FR 61964, 61977 (November 20, 1997).

EFFECTIVE DATE: December 15, 1997.

FOR FURTHER INFORMATION CONTACT: Doreen Chen or Stephen Jacques, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–0413 or (202) 482–1391, respectively.

Applicable Statute and Regulations: 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). In addition, unless otherwise indicated, all citations to the Department's regulations are in reference to the regulations, codified at 19 CFR 353 (April 1, 1996).

SUPPLEMENTARY INFORMATION:

Background

The Department published in the **Federal Register** an antidumping duty order on sebacic acid from the PRC on July 14, 1995 (59 FR 35909). On August 8, 1997, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on sebacic acid from the PRC (62 FR 42755 August 8, 1997) for the period July 1, 1995 through June 30, 1996. We received written comments from Tianjin Chemicals Import and Export Corporation (Tianjin), Guangdong Chemicals Import and Export Corporation (Guangdong), and Sinochem International Chemicals

Company, Ltd. (SICC) (collectively, respondents); and from the petitioner, Union Camp Corporation. On November 24, 1997, the Department informed parties that certain information in respondents' September 15, 1997 rebuttal brief and petitioner's September 8, 1997 case brief contained untimely new information that should be stricken from the record of this review. The Department is conducting this administrative review in accordance with section 751 of the Act.

Scope of Review

The products covered by this order are all grades of sebacic acid, a dicarboxylic acid with the formula $(CH_2)8(COOH)2$, which include but are not limited to CP Grade (500ppm maximum ash, 25 maximum APHA color), Purified Grade (1000ppm maximum ash, 50 maximum APHA color), and Nylon Grade (500ppm maximum ash, 70 maximum ICV color). The principal difference between the grades is the quantity of ash and color. Sebacic acid contains a minimum of 85 percent dibasic acids of which the predominant species is the C_{10} dibasic acid. Sebacic acid is sold generally as a free-flowing powder/flake.

Sebacic acid has numerous industrial uses, including the production of nylon 6/10 (a polymer used for paintbrush and toothbrush bristles and paper machine felts), plasticizers, esters, automotive coolants, polyamides, polyester castings and films, inks and adhesives, lubricants, and polyurethane castings and coatings.

Sebacic acid is currently classifiable under subheading 2917.13.00.00 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 proceeding remains dispositive.

This review covers the period July 1, 1995, through June 30, 1996, and four exporters of Chinese sebacic acid.

Analysis of Comments Received

Comment 1: surrogate country: Petitioner asserts that India should not be used as the surrogate country for the PRC because they claim there is no sebacic acid production in India. Petitioner contends that it would be inconsistent with the statute to use India as a surrogate because: (1) India is not a producer of sebacic acid; and (2) oxalic acid is not commercially or chemically comparable to sebacic acid. *See* 19 U.S.C. § 1677b(c)(1). Petitioner argues that while it is true that both oxalic and sebacic acid are dicarboxylic acids, oxalic acid has two carbon atoms ($C_2H_2O_4$) and sebacic acid has ten carbon atoms ($C_{10}H_{18}O_4$), giving the two acids completely different properties and uses. Petitioner contends that the production process inputs for the two acids are very different. Additionally, petitioner argues that the commercial value of sebacic acid is nearly 5 times greater than the U.S. value for oxalic acid.

Petitioner suggests that the Department should value the factors of production based on either U.S. or Japanese values, the only two market economies where sebacic acid is produced using the caustic fusion process. Petitioner contends that there is no known sebacic acid production in India. Petitioner maintains that they did not find any Indian chemicals companies which produced sebacic acid during the period of review and that the absence of the price for sebacic acid in the Indian *Chemical Weekly* publication suggests further evidence of the lack of sebacic acid production in India. Because sebacic acid is not produced in India, petitioner argues that pursuant to 19 CFR 353.52(c), the United States is the appropriate surrogate country for this administrative review.

Respondents maintain that there is now evidence on the record of this review that sebacic acid is produced in India. Respondents note that on January 6, 1997, they submitted a letter dated September 25, 1996 from an Indian chemical company, Siris Limited, stating that sebacic acid is now produced in India. Consequently, respondents urge the Department to reject petitioner's argument for using Japan or the United States as the surrogate country and instead, continue to use India as the surrogate country.

Respondents argue that 19 U.S.C. § 1677b(c)(4) provides that ''[t]he administering authority, in valuing factors of production under paragraph (1), shall utilize, *to the extent possible,* the prices or cost of factors of production in one or more market economy countries that are—(A) at a level of economic development comparable to that of the nonmarket economy country, and (B) significant producers of comparable merchandise.'' (Respondent Rebuttal Brief at p. 2) (emphasis in original). Respondents argue that the words ''to the extent possible'' give the Commerce Department the option to choose, as a surrogate country, a country that does not produce the same merchandise or even comparable merchandise, if no country meets both criteria set forth in the statute. Respondents argue that petitioner's asserted definition of ''comparable'' merchandise requires that products have identical characteristics, including identical chemical formula and uses. Respondents also note that under petitioner's definition of ''comparable'' merchandise, there is no country that would meet both aspects of the statute. Respondents maintain that such a narrow definition defeats the Congressional purpose in giving the Department the discretion to determine what constitutes a comparable product. Respondents also note that the statute suggests that it was Congress' intent to give to the Department substantial discretion in determining what are comparable products and choosing surrogate countries.

In addition, respondents contend that the values of oxalic and sebacic acid are different should have no bearing on the choice of a surrogate country since in this review, the Department is not using the value of oxalic acid to value sebacic acid. Respondents also maintain that there is substantial evidence on the record of this investigation that India is a substantial producer of castor oil, the primary input for sebacic acid. Furthermore, respondents point out that the Department verified that Tianjin Zhonghe, the Chinese sebacic acid producer, used imported castor oil from India to produce sebacic acid.

Respondents disagree with petitioner that the absence of a price for sebacic acid from Indian *Chemical Weekly* and *Chemical Business* suggests that the chemical is not produced in India. Respondents note that the Department has in the past been forced to rely on Indian import statistics because neither the *Chemical Weekly* nor the *Chemical Business* report a certain price for a chemical.

Department's Position: In valuing factors of production, the Department used surrogate values from India. In accordance with 19 U.S.C. § 1677b(c)(4), the Department chose India as its surrogate because it was most comparable to the PRC in terms of overall economic development based on per capita gross national product (GNP), the national distribution of labor, and growth rate in per capita GNP, and because it was a significant producer of comparable merchandise (oxalic acid).

The statute and the regulations instruct the Department to value factors of production in an appropriate surrogate country. The Department rarely departs from use of a surrogate value from a country comparable to the NME in terms of overall economic development. *See Final Determination of Sales at Less Than Fair Value: Beryllium Metal and High Beryllium Alloys from the Republic of Kazakstan,* 62 FR 2648 (January 17, 1997).

Surrogate values from countries at a similar level of development are considered to be the most appropriate and comparable for valuation of the factors of production used in the similarly situated nonmarket economy country. While the Department may use values from the United States or other countries not at a comparable level of development for individual factors, its practice is to do so only if it cannot find those values in a comparable economy that produce comparable merchandise. Use of the United States, Japan or another country not on the list of recommended surrogate countries proposed by the Department's Office of Policy is less desirable specifically because surrogate values from countries not at a level of economic development comparable to that of the nonmarket economy are not considered to be as representative of the nonmarket economy country's costs and prices. *See* Memorandum from Director, Office of Policy to Office Director, AD/CVD Group II/OIX, Sebacic Acid from the People's Republic of China: Nonmarket Economy Status and Surrogate Country Selection, June 24, 1997.

The fact that sebacic acid is produced in the United States or Japan does not make either country an appropriate surrogate. Neither the United States nor Japan are at a level of economic development comparable to the that of the PRC. Moreover, the Department has concluded that using values from India is appropriate because India is at a comparable level of development and, based on U.S. import statistics for the POR, is a significant producer of comparable merchandise—oxalic acid. *See* Analysis Memorandum for the Preliminary Results of the 1995/1996 Review. (Preliminary Analysis Memorandum).

We disagree with petitioner that oxalic acid is not comparable to sebacic acid. The statute does not define ''comparable merchandise'' and the relevant legislative history evidences Congress' intent to allow the agency to select from a wide category of merchandise in identifying comparable merchandise. *See* H.R. Conf. Rep. No. 100–576 (1988), *reprinted in* 1988 U.S.C.C.A.N. 1547. Thus, to impose a requirement that merchandise must be produced by the same process and share the same end uses to be considered comparable would be contrary to the intent of the statute. Therefore, in the final determination for the 1994–1995 review, we determined that oxalic acid and sebacic acid were comparable products. *See Sebacic Acid from the People's Republic of China: Final Results of Antidumping Duty Administrative Review,* 62 FR 10530, 10533 (March 7, 1997). In that review, the Department found that although the chemicals may have different production processes, oxalic acid and sebacic acid are comparable products since both are dicarboxylic acids and have similar end uses as they are both used in the rubber industry. *Id.*

Finally, we determine that the documents submitted by interested parties on January 3, 1997 and January 6, 1997 do not conclusively demonstrate that sebacic acid was produced in India during the period of review (POR). Therefore, we have not relied on these documents as a basis for our decision to use India as the surrogate country for this review.

Comment 2: Petitioner argues that the Department should value capryl alcohol consistent with the CIT's decision in *Union Camp Corp.* v. *United States,* 941 F. Supp. 108 (Ct. Int'l Trade, 1996). Specifically, petitioner asserts that the CIT ordered the Department to value capryl alcohol (octanol-2) based on an appropriate cost of crude octanol-2 rather than the Indian selling price for refined octanol-1 listed in *Chemical Weekly. Id.* at 119.

Petitioner questions the letter from the editor of *Chemical Weekly* submitted by respondents and relied upon by the Department for the preliminary results, which states that ''the octanol price referred by you corresponds to the more common 2-octanol (2 ethylhexanol).'' *See Preliminary Results of Antidumping Duty Administrative Review; Sebacic Acid from the PRC* 62 FR 42,758 (August 8, 1997); (Preliminary Analysis Memorandum at 6); Letter from Williams Mullen Christian & Dobbins, Jan. 3, 1997, at Attachment 4. Petitioner contends that because respondents failed to provide the original letter to the editor of *Chemical Weekly,* there is no evidence to indicate whether the octanol price referred to in the original letter to the editor corresponds to the octanol price in the *Chemical Weekly.* In addition, petitioner argues that there is no evidence on the record to indicate that the *Chemical Weekly* editor is sufficiently familiar with the chemical composition of the octanol product published in the *Chemical Weekly* to declare that it is octanol-2 (2-ethylhexanol). Petitioner argues because octanol-1 is not comparable to octanol-2, the Department should not use the *Chemical Weekly* price for octanol-1 to value crude octanol-2.

Petitioner contends that Union Camp and respondents Tianjin Zhong He and Hengshui Dongfeng Chemical Factory all treat capryl alcohol as a by-product. Therefore, petitioner argues that Department should treat capryl alcohol as a by-product and not a co-product. Petitioner claims that because the Department used the high Indian value of octanol-1 to value octanol-2, the Department incorrectly determined octanol-2 to be a co-product rather than a by-product of the sebacic acid process.

Petitioner argues that because octanol-2 is only produced during the sebacic acid production process and because there is no sebacic acid production in India, octanol-2 is not sold in India. Petitioner points out that there is a large value difference between the U.S. octanol-1 price and the U.S. capryl alcohol price. Moreover, petitioner rejects respondents' surrogate price for capryl alcohol, $0.68/lb., from the *Chemical Marketing Reporter,* because it is the same as Union Camp's offering price for *refined* capryl alcohol. According to petitioner, crude capryl alcohol, the subsidiary product of the sebacic acid process, must be further processed to achieve a 98 percent pure refined product. The *Chemical Marketing Reporter* reported the market value of octanol-1 at $0.925/lb during the POR. Petitioner argues that the U.S. value of octanol-1 during the POR was 36 percent higher than the U.S. value of *refined* capryl alcohol and that the value difference between octanol-1 and crude capryl alcohol is even larger. Therefore, petitioner concludes that because octanol-1 is not comparable to octanol-2 either chemically or commercially, the Department should not use octanol-1 as a surrogate value for octanol-2.

Petitioner offers its own by-product credit value for crude capryl alcohol, $0.15/lb., as the best available surrogate price for the subsidiary product. However, petitioner states that if the Department chooses to use the $0.68/lb price, it should make adjustments for input costs in converting crude capryl alcohol to *refined* capryl alcohol. Petitioner supplies such a calculation where the resulting value is $0.1544/lb.

Respondents argue that the Department should continue to use a surrogate value for octanol from India. Respondents maintain that the evidence on the record supports that the octanol price in *Chemical Weekly* is equivalent to the Indian price for octanol-2, not the octanol-1 as argued by the petitioner. Respondents submitted a letter from the Indian *Chemical Weekly,* which states that the ''octanol'' price in the Indian *Chemical Weekly* ''corresponds to the more common octanol-2 (ethylhexanol-2).'' *See* Submission, January 6, 1997. Respondents argue that according to Hawley's *Condensed Chemical Dictionary,* ethylhexanol-2 is another

form of octanol. *Id*. Respondents also submitted additional information from the U.S. chemical company, Ivanhoe Industries, which stated that ''octanol'' is a generic term which can include octanol-1, octanol-2, octanol-3, ethyl hexanol-2 and other products. In addition, respondents argue that all octyl alcohols can be used interchangeably to produce plastercizers for vinyl resins and as esters for lube oils and therefore are comparable products.

Respondents disagree with petitioner's claims that the octanol price in the Indian *Chemical Weekly* significantly overstates the price of capryl alcohol. Respondents claim they provided prices from the U.S. *Chemical Marketing Reporter* in their January 6, 1997 PAPI submission, which they argue, demonstrates that ethyl hexanol-2 is less expensive than octanol-2. Moreover, respondents maintain that the Indian *Chemical Weekly* price of octanol of $1520 per metric ton is within a reasonable range of the $1450 price quote respondents obtained for capryl alcohol from SIRIS, a chemical company in India. Respondents argue that Union Camp's internal price for octanol-2 at 15 cents a pound is a less reasonable price to value Chinese capryl alcohol in comparison to the Indian prices for octanol quoted by SIRIS and reported by *Chemical Weekly*.

In addition, respondents maintain that Tianjin Zhonghe cannot break out the additional costs for refining capryl alcohol, which respondents claim, merely amount to additional electricity to distill the product. Therefore, respondents argue for valuing capryl alcohol, the Department should not use Union Camp's unverified internal costs for production of capryl alcohol, since Union Camp uses an entirely different production process from the Chinese production process.

If, in the alternative, the Department decides to use a U.S. surrogate value for octanol-2, respondents urge that we use a surrogate value from the U.S. *Chemical Marketing Reporter* for the price of capryl alcohol in the United States because it is publicly available information rather than Union Camp's internal price.

Department's Position: The petitioner's argument that to be consistent with the CIT's decision *Union Camp Corp*. v. *United States*, 941 F. Supp. 108, 112 (Ct. Int'l Trade, 1996), the Department should value capryl alcohol based on the cost of octanol-2 is unpersuasive. First, the Department is not bound by the decision in *Union Camp* because the CIT's decision was rendered moot by the issuance of the results of the first administrative review. *See Sebacic Acid From the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 10530 (March 7, 1997).

Second, use of the value of octanol-1 as a surrogate value is consistent with the statute and Department practice. In valuing factors of production, the Department's practice is to rely, to the extent possible, on publicly available information. The Department prefers to use publicly available information because: (1) It alleviates difficulties in obtaining, and concerns about the quality of, cable data from embassies and consulates (previously often used as sources for surrogate values); (2) it allows interested parties an opportunity to actively submit and comment on surrogate value data; (3) the establishment of a clear surrogate values hierarchy, with a preference for surrogate values from a single country based on publicly available information, increases the certainty and predictability of the outcome of the Department's factor valuations; (4) the methodological framework helps to focus comments made by petitioner and respondent in the case and rebuttal briefs and reduces miscellaneous submissions throughout the course of proceedings regarding the appropriateness of various surrogate values; and (5) it alleviates the administrative burden on U.S. embassies and consulates caused by requests for large amounts of data. *See Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China*, 57 FR 21058, 21062 (May 18, 1992). In determining which surrogate value to use for valuing each factor of production, therefore, the Department selects, where possible, publicly available information which is: (1) An average non-export value; (2) representative of a range of prices within the period of review, if submitted by an interested party, or most contemporaneous with the POR; (3) product-specific; and (4) tax-exclusive.

In this review, the Department was unable to locate an Indian value for octanol-2. In addition, the Department specifically asked interested parties to submit any publicly available, published values for octanol-2. Neither the petitioner, Union Camp, nor the respondents were able to locate a specific Indian value for octanol-2. As a result, the Department used an Indian price for octanol-1 as a surrogate value for octanol-2 as the best available information. The Department concluded that, for purposes of factor valuation, octanol-1 was comparable to octanol-2. We find that octanol-1 and capryl alcohol (octanol-2) share very similar molecular formula though they are not identical products. Since product-specific price information is not available from our preferred surrogate countries, we have relied on the price of the most physically similar product for which we could obtain value information.

We disagree with petitioner's argument that we should not use the octanol price from the Indian *Chemical Weekly* because octanol-1 and octanol-2 are not commercially comparable. In support of their argument, petitioner relies on the publication *Chemical Marketing Reporter* which, petitioner claims, indicates that there is a significant difference in value between capryl alcohol and octanol-1. However, prices from *Chemical Marketing Reporter* are prices from the United States, which is not the surrogate country in this case. On the other hand, respondents have provided sufficient evidence from India, which is the surrogate country in this case, to support the conclusion that octanol-1 and octanol-2 are commercially comparable. Respondents provided evidence demonstrating that the octanol price reported in the Indian *Chemical Weekly* is comparable to the octanol-2 price obtained from SIRIS, a chemical company in India. Since India is the surrogate country in this case and the price for octanol reported in *Chemical Weekly* is commercially comparable to the Indian price for octanol-2 from another source, we used the octanol price for *Chemical Weekly* in our surrogate value analysis.

Moreover, Union Camp's statements that octanol-1 is derived from a process entirely unrelated to the sebacic acid process and that octanol-1 is a high-priced petrochemical are not dispositive on the issue of the comparability of octanol-1 and octanol-2 for purposes of factor valuation. In a nonmarket economy case, the Department may need to value anywhere from a few to hundreds of factors of production; in this case we needed to value approximately 25. Although we strive to locate exact surrogate matches in our preferred surrogate country, we often are unable to do so. In those instances, the Department's practice is to use the most comparable surrogate match that meets our publicly available information criteria in an appropriate surrogate country.

There is no basis in the statute or legislative history to suggest that the Department is required to research or

consider the production process or use for each factor so as to locate a surrogate match with an identical or even similar production process or use. In valuing factors of production, the Department is attempting to assign a market-economy value, *i.e.*, a price or a cost, to some non-market economy factor, *e.g.*, 50 kilograms of chemical ''x'', 12 nuts and bolts, 3 plastic bags, 7 hours of labor. The Department does not delve into intricacies of the production and use of every potential surrogate factors of production precisely because production and use are not necessarily relevant to valuation of these factors. The Department is foremost concerned about assigning an appropriate surrogate value to a specific factor of production. As a result, the Department will consider rejecting a potential surrogate where it has evidence that a possible surrogate value does not reasonably reflect the ''value'' of the factor. For example, if the Department had evidence that a surrogate price was significantly higher than other potential surrogate prices for a particular factor, the Department might find that it was not reasonable to use that particular price as a surrogate value.

Similarly, the Department is not required to consider interchangeability in determining whether to use a particular surrogate to value a factor of production and we disagree with the Court's suggestion to the contrary in *Union Camp*. If interchangeability were a prerequisite, the Department would have extreme difficulty in valuing factors of production. The Department would be required to locate precise matches between surrogates and factors—an impracticable if not virtually impossible task given the amount of data the Department would have to collect and analyze for each factor. The very nature of chemicals, in particular, is such that a small difference in grade or a change in molecular structure would preclude ever finding two different chemicals comparable for purposes of factor valuation. In this case, for example, the Department recognizes that octanol-1 and octanol-2 are two different products, and, hence not interchangeable. Nevertheless, octanol-1 and octanol-2 are sufficiently similar, physically and commercially, for octanol-1 to serve as a reasonable surrogate for octanol-2.

The statute and the regulations instruct the Department to value factors of production, to the extent practicable, in an appropriate surrogate country. Using an internal price from the United States for an input, as suggested by petitioner, would be inappropriate. First, the evidence on the record of this review establishes that respondents' octanol-1 value, which is from a publicly available publication, is a reasonable substitute for octanol-2 in our calculations, given the limited public and published data from India available to the Department. In contrast, the petitioner's cost is neither a value from one of the selected surrogate countries nor is it a public or published figure. As explained above, the Department's practice is to use publically available figures because, among other reasons, it increases the certainty and predictability of the outcome of the Department's factor valuations in NME cases, and it affords all interested parties an opportunity to submit and comment on surrogate value data. Thus, based on the facts of this case, use of an unpublished, internal cost from a country not on the list of preferred surrogates is contrary to the Department's established practice. *See Magnesium Corp. of America* v. *United States*, 938 F. Supp. 885 (Ct. Intl' Trade, 1996) (''It is Commerce's standard practice to disregard petitioner's costs because they are not 'an appropriate benchmark by which to test the accuracy of surrogate country values.' '') Furthermore, because preference is for values from the selected surrogate country, we did not use the U.S. price for octanol-2 from *Chemical Marketing Reporter* submitted by respondents. Therefore, we have used the 76 rupees/kg value from the Indian *Chemical Weekly* as a surrogate value for capryl alcohol as the best information available to the Department.

We also disagree with petitioner's argument that capryl alcohol should be treated as a by-product rather than a co-product. Consistent with the methodology employed in the final determination in the less-than-fair-value investigation, we have determined that capryl alcohol is a co-product. Therefore, we have allocated the factor inputs, based on the relative quantity of output of this product and sebacic acid. Additionally, we have used the production times necessary to complete each production stage of sebacic acid as a basis for allocating the amount of labor, energy usage, and factory overhead among the products. This treatment of co-products is consistent with generally accepted accounting principles. (*See Cost Accounting: A Managerial Emphasis* (1991) at pages 528–533). *See* Final Results Analysis Memorandum, at Attachment I and II.

Comment 3: Petitioner argues that the Department was incorrect in making tax adjustments to prices from the *Economic Times* used to value inputs castor oil, castor seed and castor seed cake. Petitioner argues that there is no evidence on the record to support the assumption that price information from the *Economic Times* is tax inclusive. Petitioner notes that there is evidence on the record that at least one price for castor seed oil is tax exclusive, that is the price for Madras which indicates ''tax extra.'' Analysis Memorandum, at Attachment XII. Petitioner notes that it is the Department's policy to rely first on tax-exclusive prices in the surrogate market. *Preliminary Determination of Sales at Less than Fair Value: Certain Cut-to-Length Carbon Steel Plate from the PRC,* 62 FR 31,972, 31,977 (June 11, 1997).

Respondents had no comment on this issue.

Department's Position: We agree with petitioner. We have not adjusted prices derived from the *Economic Times* for taxes because there is not substantial evidence on the record to indicate that the prices from the *Economic Times* were tax inclusive.

Comment 4: Petitioner maintains that the Department should correct certain ministerial errors discussed in the Department's August 13, 1997 Memorandum to the File from Lyn A. Baranowski, namely: (1) Include a freight expense for SICC's transportation of coal; (2) include a freight expense for Tianjin's transportation of castor seed; (3) adjust sodium chloride, coal, plastic bags, middle bags, woven bags, and castor seed in Tianjin's freight calculation worksheet; and (4) include a freight expense for Tianjin's purchased castor oil and adjust the expense for coal.

Respondents had no comment on these errors.

Department's Position: We agree with petitioner. We revised calculations accordingly to correct the aforementioned ministerial errors raised by the Department in the August 13, 1997 Memorandum.

Comment 5: Respondents contend that the Department used the incorrect weights for plastic bags in the preliminary results. Respondents maintains that the Department should use the weights stated in verification report. In addition, respondents argue that the Department should not use a surrogate value for plastic bags which are abberrational.

Petitioner had no comment on this issue.

Department's Position: We agree with respondents. We have used the correct weights for the bags as reported at verification. In addition, we have continued to use Import Statistics from India to value bags as the price information from Import Statistics is a

publicly available publication and has been used to value plastic bags in past determinations. *See Notice of the Preliminary Determination of the Sales of Less than Fair Value: Bicycles from the PRC* 60 FR 56567, 56573 (November 9, 1995).

Final Results of Review

For Jiangsu, which failed to respond to the questionnaire, we have not granted a separate rate and the country-wide rate will apply to all of its sales. For Guangdong, which reported that it had no sales during the POR, its company-specific rate from the previous administrative review remains unchanged.

As a result of our review of the comments received, we have changed the results from those presented in our preliminary results of the review. Therefore, we determine that the following margins exists as a result of our review:

Manufacturer/ exporter	Time period	Margin (percent)
Tianjin Chemicals I/E Corp.	7/01/95–6/30/96	0.00
Sinochem International Chemicals Corp	7/01/95–6/30/96	1.78
Guangdong Chemicals I/E Corp	7/01/95–6/30/96	13.54
Country-Wide Rate	7/01/95–6/30/96	243.40

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

Furthermore, the following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) For the reviewed companies named above which have separate rates (SICC and Tianjin), the cash deposit rates will be the rates for those firms indicated above; (2) for companies previously found to be entitled to a separate rate and for which no review was requested, the cash deposit rates will be the rate established in the most recent review of that company; (3) for all other PRC exporters of subject merchandise from the PRC, the cash deposit rates will be the PRC country-wide rate indicated above; and (4) the cash deposit rate for non-PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. These deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification of Interested Parties

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

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

Dated: December 8, 1997.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–32632 Filed 12–12–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

Application for Duty-Free Entry of Scientific Instrument

Pursuant to Section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89–651; 80 Stat. 897; 15 CFR part 301), we invite comments on the question of whether instruments of equivalent scientific value, for the purposes for which the instrument shown below is intended to be used, are being manufactured in the United States.

Comments must comply with 15 CFR 301.5(a)(3) and (4) of the regulations and be filed within 20 days with the Statutory Import Programs Staff, U.S. Department of Commerce, Washington, D.C. 20230. The application may be examined between 8:30 A.M. and 5:00 P.M. in Room 4211, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C.

Docket Number: 97–095. *Applicant:* Stanford University, Stanford Medical Center, 300 Pasteur Drive, Room 5302, Palo Alto, CA 94304. *Instrument:* Ultrasound Bone Densitometer. *Manufacturer:* McCue Plc, United Kingdom. *Intended Use:* The instrument will be used to assess the bone density (strength) of the bone in healthy children and those with chronic diseases in studies to help determine the risk of osteoporosis. Application accepted by Commissioner of Customs: November 7, 1997.

Frank W. Creel,

Director, Statutory Import Programs Staff.

[FR Doc. 97–32626 Filed 12–12–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

[Docket No. 970822200–7283–03]

RIN 0693–AB44

Announcement of Availability of Funding for Competitions—Advanced Technology Program (ATP)

AGENCY: National Institute of Standards and Technology, Technology Administration, Commerce.

ACTION: Notice.

SUMMARY: The Technology Administration's National Institute of Standards and Technology (NIST) announces the availability of funding for the following competitions to be held in fiscal year 1998 under the Advanced Technology Program (ATP): (1) A General Competition 98–01, open to all areas of technology meeting the ATP selection criteria and (2) Focused Program Competitions (approximately seven to nine) on specific technology or technology application areas. This notice provides general information for the competitions planned for fiscal year 1998.

DATES: The proposal due dates, Focused Program Competition topics, and other competition-specific instructions will be published in the *Commerce Business Daily (CBD)* at the time each competition is announced. Dates, times, and locations of Proposers' Conferences held for interested parties considering applying for funding will also be announced in the *CBD*.

ADDRESSES: Information on the ATP may be obtained from the following address: National Institute of Standards and Technology, Advanced Technology Program, Administration Building (Bldg. 101), Room A407, Quince Orchard & Clopper Roads, Gaithersburg, MD 20899–0001.