company will be the rate established in the final results of this review; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in the original investigation of sales at less than fair value (LTFV) or a previous review, the cash deposit will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this or a previous review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be 11.13 percent, the ''all others'' rate established in the LTFV investigation (55 FR 21058, May 22, 1990).

These deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a preliminary reminder to importers of their responsibility 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 determination is issued and published in accordance with sections 751(a)(1) of the Act (19 U.S.C. 1675(a)) and 19 CFR 351.213.

Dated: July 30, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–21229 Filed 8–6–98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–475–818]

Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta From Italy

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

SUMMARY: The Department of Commerce is conducting an administrative review of the antidumping order on certain pasta from Italy. This review covers eight producers and/or exporters of the subject merchandise. The period of review (''POR'') is January 19, 1996, through June 30, 1997.

We have preliminarily found that, for certain producers and/or exporters, sales of the subject merchandise have been made below normal value. If these preliminary results are adopted in our final results of this review, we will instruct the Customs Service to assess antidumping duties equal to the difference between the export price or constructed export price and the normal value.

EFFECTIVE DATE: August 7, 1998.

FOR FURTHER INFORMATION CONTACT: Edward Easton or John Brinkmann, Office 2 AD/CVD Enforcement, Group I, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue N.W., Washington, D.C. 20230; telephone: (202) 482–1777 or (202) 482–5288, respectively.

SUPPLEMENTARY INFORMATION:

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 Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce's (''the Department's'') regulations are to the regulations codified at 19 CFR Part 351, as published in the **Federal Register** on May 19, 1997 (62 FR 27296).

Case History

On July 24, 1996, the Department published in the **Federal Register** the antidumping duty order on certain pasta (''pasta'') from Italy (61 FR 38547). On July 21, 1997, we published in the **Federal Register** the notice of ''Opportunity to Request an Administrative Review'' of this order, for the POR (62 FR 38973).

The following producers and/or exporters of pasta from Italy requested a review in accordance with 19 CFR 351.213(b)(2): (1) Rummo S.p.A. Molino e Pastificio (''Rummo''); (2) F. lli De Cecco di Filippo Fara S. Martino S.p.A. (''De Cecco''); (3) La Molisana Industrie Alimentari S.p.A. (''La Molisana''); (4) Delverde Srl (''Delverde''); (5) Tamma Industrie Alimentari di Capitanata, SrL (''Tamma'');[1] (6) Industria Alimentari Colavita S.p.A. (''Indalco''); and (7) Petrini, S.p.A. (''Petrini''). Three of these seven companies, Petrini, Delverde, and Tamma, later withdrew their requests. *See* Partial Rescission of Antidumping Duty Administrative Review section, below.

On July 31, 1997, the petitioners requested a review of ten producers and/or exporters of pasta from Italy; however, on September 2, 1997, they withdrew their request for review of all of these companies except: (1) Arrighi S.p.A. Industrie Alimentari (''Arrighi''); (2) Barilla Alimentari S.R.L.. (''Barilla''); (3) N. Puglisi & F. Industria Paste Alimentari S.p.A. (''Puglisi''); (4) La Molisana; (5) Pastificio Fratelli Pagani S.p.A. (''Pagani''); and (6) Rummo. See Partial Recision of Antidumping Duty Administrative Review section, below.

On August 28, 1997, we published the notice of initiation of this antidumping duty administrative review (62 FR 45621) and on September 4, 1997, the Department issued the antidumping questionnaire[2] to counsel for the companies subject to review. After several extensions, the respondents submitted responses to sections A through C of the antidumping questionnaire on November 3 and 10, 1997. The Department issued its supplemental questionnaires in January, 1998. Responses to the supplemental questionnaires were received in March, 1998.

On October 20, 1997, World Finer Foods, Inc. (''World Finer Foods''), an importer of pasta produced by Arrighi, wrote to the Department to indicate that Arrighi had ceased exporting pasta to the United States and would not participate in the review. World Finer Foods indicated that it did not seek the return of the antidumping duty deposits it had already made on imports of Arrighi pasta, but that it could not afford additional antidumping duties. An officer of World Finer Foods met with Department officials on January 8, 1998, and offered to submit information concerning its purchases from Arrighi for the Department's examination. This information was submitted on March 10, 1998. On April 9, 1998, petitioners submitted a response indicating, among other things, that they believed the information submitted by World Finer Foods was inadequate for calculating an antidumping duty margin for Arrighi.

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[1] During the antidumping investigation, the Department determined that Delverde and Tamma were affiliated parties within the meaning of section 771(33) of the Act and, moreover, that it was appropriate to ''collapse'' both companies into a single entity for the purpose of calculating an antidumping duty margin.

[2] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the sales of the merchandise in all of its markets. Sections B and C request home market sales listings and U.S. sales listings, respectively. Section D requests information on the cost of production of the foreign like product and constructed value of the merchandise under investigation.

The Department has examined World Finer Foods' documentation and determined that it is not possible, pursuant to the statute, to calculate a margin from the information in the submission. Moreover, inasmuch as Arrighi refused to participate in the review, the Department has assigned an adverse margin to Arrighi. See Use of Facts Available section, below.

On November 21 and 24, 1997, the petitioners alleged that Indalco, Rummo, and Puglisi had sold the foreign like product below the cost of production (''COP''). On December 24, 1997, we initiated a cost-of-production investigation with respect to these companies. The three companies submitted their responses to section D of the antidumping questionnaire in January, 1998.[3]

On January 28, 1998, the Department published a notice postponing the preliminary results of this review until July 1, 1998 (63 FR 4218). On June 10, 1998, the Department published a notice further postponing the preliminary results of this review until no later than July 31, 1998 (63 FR 31735).

Partial Rescission of Antidumping Duty Administrative Review

On September 2, 1997, the petitioners withdrew their request for reviews of Castelletti S.p.A., Societa Transporti Castelletti, General Noli S.p.A., and R. Queirolo & Co., S.p.A. There were no other requests for reviews of these companies and, accordingly, we are rescinding the review with respect to these companies.

On October 24, 1997, Petrini withdrew its request for a review. Delverde and Tamma withdrew their requests for a review on November 10, 1997. Because there were no other requests for reviews of Petrini, Delverde, and Tamma, and because the companies' letters withdrawing their requests for reviews were timely filed, we are rescinding the review with respect to these companies in accordance with 19 CFR 351.213(d)(1).

Scope of the Review

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

Excluded from the scope of this review are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white. Also excluded are imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by the Instituto Mediterraneo Di Certificazione, by Bioagricoop Scrl, or by QC&I International Services.

Furthermore, on August 25, 1997, the Department issued a scope ruling that multicolored pasta, imported in kitchen display bottles of decorative glass, which are sealed with cork or paraffin and bound with raffia, is excluded from the scope of this proceeding.

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

Verification

As provided in section 782(i) of the Act, we verified sales information provided by De Cecco. We used standard verification procedures, including on-site inspection of the manufacturer's facilities and examination of relevant sales and financial records. Our verification results are outlined in the verification report placed in the case file.

Use of Facts Available

Section 776(a) of the Act requires the Department to resort to facts otherwise available (''facts available'') if necessary information is not available on the record or when an interested party or any other person ''fails to provide [requested] information by the deadlines for submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782.'' As provided in section 782(c)(1) of the Act, if an interested party ''promptly after receiving a request from [the Department] for information, notifies [the Department] that such party is unable to submit the information requested in the requested form and manner,'' the Department may modify the requirements to avoid imposing an unreasonable burden on that party. Since Arrighi, Barilla, and Pagani did not provide any such notification to the Department, subsections (c)(1) and (e) do not apply to this situation. Accordingly, we preliminarily find, in accordance with section 776(a) of the Act, that the use of facts available is appropriate for Arrighi, Barilla, and Pagani.

Where the Department must resort to facts available because a respondent failed to cooperate to the best of its ability, section 776(b) of the Act authorizes the use of an inference adverse to the interests of that respondent in selecting from among the facts available. Because Arrighi, Barilla, and Pagani failed to cooperate by not responding to our antidumping questionnaire and, thus, have not acted to the best of their abilities to comply with requests for information, we have determined that an adverse inference with respect to these companies is warranted.

Section 776(b) of the Act also authorizes the Department to use as adverse facts available information derived from the petition, the final determination in the antidumping investigation, a previous administrative review, or any other information placed on the record. Section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate that secondary information from independent sources reasonably at its disposal. The Statement of Administrative Action (''SAA'') provides that ''corroborate'' means simply that the Department will satisfy itself that the secondary information has probative value. (See H.R. Doc. 316, Vol. 1, 103d Cong., 2d sess. 870 (1994).)

To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used. However, in an administrative review, the Department will not engage in updating the petition to reflect the prices and costs that are found during the current review. Rather, the process of corroboration is to determine that the significant elements used to derive a margin in a petition are reliable and relevant to the conditions upon which the petition is based.

With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal as to whether there are circumstances that would render a margin not relevant. Where

[3] Because the Department had disregarded sales below the cost of production during the antidumping investigation of La Molisana and had initiated a cost investigation of De Cecco prior to assigning the company a margin based on adverse facts available, we had reasonable grounds to believe or suspect that sales by these companies of the foreign like product under consideration for the determination of normal value in this review may have been made at prices below the cost of production. Therefore, we initiated cost investigations of De Cecco and La Molisana at the time we initiated the antidumping review.

circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin. See, *e.g., Fresh Cut Flowers from Mexico: Final Results of Antidumping Duty Administrative Review*, 61 FR 6812 (February 22, 1996). In this instance, we have no reason to believe that the application of the highest petition margin, calculated based on our revisions to the estimated margins in the petition concerning Italian pasta, is inappropriate.[4] We note that the SAA, at 870, states that ''the fact that corroboration may not be practicable in a given circumstance will not prevent the agencies from applying an adverse inference * * *.'' In addition, the SAA, at 869, emphasizes that the Department need not prove that the facts available are the best alternative information. We therefore have assigned Arrighi, Barilla, and Pagani the highest margin from the petition, i.e., 71.49 percent, for purposes of these preliminary results. See, *Notice of Initiation of Antidumping Duty Investigations: Certain Pasta from Italy and Turkey*, 60 FR 30268, 30269 (June 8, 1995).

Comparisons to Normal Value

To determine whether sales of certain pasta from Italy were made in the United States at less than normal value (''NV''), we compared the export price (''EP'') or constructed export price (''CEP'') to the NV. We first attempted to compare contemporaneous sales of products sold in the United States and home markets that were identical with respect to the following characteristics: shape; wheat type; additives; and enrichment. However, we did not find any appropriate home market sales of merchandise that were identical in these respects to the merchandise sold in the United States. Accordingly, we compared products sold to the United States with the most similar merchandise sold in the home market based on the characteristics listed above, in that order of priority.

Export Price and Constructed Export Price

For the price to the United States, we used, as appropriate, EP or CEP, in accordance with sections 772(a) and (b) of the Act. We calculated EP where the merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation and CEP was not otherwise warranted based on the facts on our record. We calculated CEP where sales to the first unaffiliated purchaser took place after importation.

For all respondents, we calculated EP and CEP based on the packed FOB, CIF, or delivered price to the first unaffiliated customer in, or for exportation to, the United States. We reduced these prices to reflect discounts and rebates. In accordance with section 772(c)(2) of the Act, we made deductions, where appropriate, for foreign brokerage and handling, freight expenses between the factory and the U.S. distributor's warehouse, freight insurance, export fees, brokerage and handling, U.S. inspection fees, U.S. duties, and U.S. freight.

In accordance with section 772(d)(1) of the Act, we made deductions from CEP, where appropriate, for direct selling expenses (including advertising), credit, warranties, and commissions paid to unaffiliated distributors. In addition, we deducted those indirect selling expenses that related to economic activity in the United States. These included inventory carrying costs, certain indirect selling expenses incurred in the home market, and the indirect selling expenses of affiliated U.S. distributors. Finally, we made adjustments for CEP profit in accordance with section 772 (d)(3) and (f) of the Act.

Where payment dates were not reported, we used average credit days—by customer—as a proxy to calculate credit expenses. Where we could not establish the average credit days on a per customer basis, we used the date of these preliminary results.

Certain respondents reported the resale of subject merchandise purchased in Italy from unaffiliated producers. Where the unaffiliated producers of the subject pasta knew at the time of the sale that the merchandise was destined for the United States, the relevant basis for the export price would be the price between the producer and the respondents. In this review, the unaffiliated producers knew or had reason to know at the time of sale that the ultimate destination of the merchandise was the United States because virtually all enriched pasta is sold to the United States. For such transactions, therefore, the price between the respondents and their U.S. customers was not used as the basis for the export price.

When respondents purchased pasta from other producers and we were able to identify resales of this merchandise to the United States, we excluded sales of the purchased pasta from the margin calculation. Where the purchased pasta was commingled with the company's production and we could not identify the resales, we examined both sales of produced pasta and resales of purchased pasta. Inasmuch as the percentage of pasta purchased by any single respondent was an insignificant part of its U.S. sales data base, we included the sales of commingled purchased pasta in our margin calculations. See Proprietary Memorandum to the File, dated July 31, 1998.

Company-Specific Issues

La Molisana

During the POR, La Molisana made EP sales. La Molisana based its date of sale on the date of shipment, whether identified by the invoice or the bill of lading. Petitioners have alleged that the distribution contract between La Molisana and La Pace is a long-term contract. For the reasons specified in the Proprietary Memorandum to the File, dated July 31, 1998, we have preliminarily determined that the date of sale, as reported, is appropriate. (Memoranda prepared for the record in this review and cited in this notice are on file in Import Administration's Central Records Unit (Room B–099 of the main Commerce building).)

Normal Value

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared each respondent's volume of home market sales of the foreign like product to the volume of its U.S. sales of the subject merchandise. Pursuant to sections 773(a)(1)(B) and (C) of the Act, because each respondent's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined that the home market was viable.

We calculated NV based on FOB, CIF or delivered prices to home market customers. We made deductions from the starting price for inland freight and inland insurance expenses, discounts, and rebates. In accordance with section 773(a)(6) of the Act, we deducted home market packing costs and added U.S. packing costs. In addition, we made circumstance of sale adjustments for direct expenses, including imputed credit expenses, advertising expenses, and warranty expenses, in accordance with section 773(a)(6)(C)(iii) of the Act.

We also made adjustments, when comparing U.S. sales with home market

[4] During the antidumping investigation, we assigned an adverse facts available margin of 46.67 percent to De Cecco. As we explained in our final determination in the investigation, ''[b]ecause De Cecco made some effort to cooperate, even though it did not cooperate to the best of its ability, we did not choose the most adverse rate based on the petition.'' Final investigation determination, 61 FR 30326, 30329.

sales of similar, but not identical, merchandise, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act. We based this adjustment on the difference in the variable costs of manufacturing the foreign like product and subject merchandise.

We also made adjustments where commissions were granted on sales in the U.S. market but not in the home market. We made a downward adjustment to normal value for the lesser of (1) the amount of the commission paid in the U.S. market, or (2) the amount of indirect selling expenses incurred in the comparison market.

Cost of Production Analysis

Based on the results of the antidumping investigation and on the timely allegations filed by the petitioners during this review, we initiated COP investigations for each of the five respondents participating in the review to determine whether sales were made at prices below the COP. See Footnote 3, above, and Memoranda from Case Analysts to Richard W. Moreland, dated January 12, 1998.

We conducted the COP analysis as described below.

Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP on a product-specific basis for each respondent, based on the sum of the costs of materials and fabrication of the foreign like product, plus amounts for home market selling, general, and administrative expenses (''SG&A''), and packing costs. As facts available, where a respondent sold both pasta it produced and pasta it purchased and these were commingled, we calculated a weight-average COP based on the costs of production and the acquisition price of the commingled pasta. We relied on each respondent's submitted COP data, except in the following instances:

De Cecco

We valued semolina De Cecco purchased from its affiliated producer, Molino, by applying the higher of transfer price, market price, or the cost to the affiliated entity to produce the input. We invite interested parties to comment on whether the Department should apply the major input rule (see 19 CFR 351.407(b)) for the valuation of these purchases of semolina in the final results of this review.

Indalco

We revised the G&A expense applied to handmade pasta produced by Indalco's affiliated supplier. The revision results from a correction to the affiliated company's cost of sales. See, Memorandum to the File, dated July 31, 1998.

La Molisana

We revised the company's reported interest expense rate to include foreign exchange losses in the calculation of the rate. We also revised the company's reported cost of manufacture, G&A and interest expenses to reflect a single weighted average cost for each product produced. See Memorandum to Christian Marsh from Taija Slaughter, dated July 31, 1998. For the pasta types that La Molisana both purchased and produced, we calculated a weighted-average cost.

Puglisi

We revised Puglisi's reported G&A expense rate based on our exclusion of certain non-production related offsets. See Memorandum to Christian Marsh from Stan T. Bowen, dated July 15, 1998.

Rummo

For the pasta types that the respondent both purchased and produced, we calculated a weighted-average cost.

Test of Home Market Sales Prices

As required under section 773(b) of the Act, we compared the weighted-average COP for each respondent to the comparison market sales of the foreign like product, to determine whether these sales had been made at prices below the COP within an extended period of time and in substantial quantities, and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time. On a product-specific basis, we compared the COP (less selling expenses) to the home market prices, less any applicable movement charges, taxes, rebates, commissions and other direct and indirect selling expenses.

Results of the COP Test

Pursuant to 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product were made at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in ''substantial quantities.'' Where 20 percent or more of a respondent's sales of a given product were at prices less than the COP, we determined such sales to have been made in ''substantial quantities'' within an extended period of time, in accordance with section 773(b)(2)(B) and (C) of the Act, and disregarded the below-cost sales from our analysis. We used the remaining sales in our margin analysis, in accordance with section 773(b)(1).

General Price-to-Price Comparison Issues

We excluded sales of pasta from the respondents to their employees from the home market sales because the volumes of these sales were small and the companies' records of these sales were difficult to access for the detailed information we requested. Where possible, we also excluded pasta purchased by the respondents from unaffiliated producers and resold in the home market. However, where the purchased pasta was commingled with the respondent's production and we could not identify the resales, we examined both sales of the produced pasta and resales of the purchased pasta in the home market. Inasmuch as the percentage of pasta purchased by any single respondent was an insignificant part of its home market data base, we included the sales of the commingled pasta in our calculation of NV.

Company-Specific Issues

De Cecco

At verification, De Cecco disclosed that it had mistakenly included sales made to a third country in its home market data base. We corrected the data base by removing these sales.

Indalco

We disallowed the flat-fee commission expense claimed for one sales agent because the expense was based on a flat fee that was not directly linked to reported sales of pasta. We removed the reported amount from commission expenses and added it to the company's indirect expenses.

La Molisana

We treated reported warranty expenses as indirect selling expenses rather than as direct selling expenses.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, we determined NV at the same level of trade as the U.S. sales (either EP or CEP). To the extent practicable, when there were no sales at the same level of trade, we compared U.S. sales to home market sales at a different level of trade.

To determine whether home market and U.S. sales were at different levels of

trade, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customers. If the home market sales were at a different level of trade and the differences affected price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and sales at the level of trade of the export transaction, we made a level-of-trade adjustment under section 773(a)(7)(A) of the Act.

Finally, for CEP sales, if the NV level was more remote from the factory than the CEP level and there was no basis for determining whether the difference in levels between NV and CEP affected price comparability, we granted a CEP offset, as provided in section 773(a)(7)(B) of the Act. See *Notice of Final Determination Of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa,* 62 FR 61731 (November 19, 1997). For a company-specific description of our level-of-trade analysis for these preliminary results, See Level-of-Trade Memorandum to Susan H. Kuhbach, July 31, 1998.

Company-Specific Product Comparison Issues

De Cecco

During our verification of De Cecco's sales response, we found sales of vitamin-enriched pasta in the home market for three different pasta types sold in the United States. Vitamin enrichment is very rare and an unusual characteristic for pasta produced for consumption in Italy. Home market sales of such pasta were so small as to be insignificant. On this basis, we have determined that these sales of vitamin-enriched pasta are outside the ''ordinary course of trade'' as that term is used in 19 CFR 351.102. Therefore, we deleted these sales from the sales data base. In each case, we matched U.S. sales to similar, but not identical, home market sales of those same pasta types (*i.e.*, those without vitamin enrichment).

De Cecco reported combination sales of different pasta shapes and of pasta with bottled olive oil in the home market. Inasmuch as these combinations were not sold to the United States and were not similar to U.S. sales, we excluded these sales from the sales data base.

Indalco

Indalco argued that its handmade pasta and its machine-produced pasta should be treated as different products for product-matching purposes. Indalco reported that the two have different shapes and are produced at significantly different speeds. During the course of the antidumping investigation, we classified pasta on the basis of whether it was a long, short, or specialty cut, and found that line speeds were a useful way of distinguishing specialty cuts from the standard long and short cuts. We agree with Indalco that the significantly different output rates for the production of handmade pasta and machine-made shapes constitute a legitimate basis for classifying them as different products. Therefore, we have assigned sales of handmade pasta separate shape codes to distinguish them from regular and specialty cuts and compared sales of handmade pasta in the United States with sales of handmade pasta in the home market. See, Memorandum to Richard W. Moreland, dated July 31, 1998.

La Molisana

La Molisana claimed a level of trade adjustment on the basis of different selling activities associated with their La Molisana (''LM'') brand and private label (''PL'') products sold in both the home market and the United States. For the reasons we stated in the Proprietary Memorandum to the File (from page 19), dated July 31, 1998, we found that different brands are not an appropriate basis for establishing different levels of trade. With respect to La Molisana's statements concerning the different product characteristics of the LM brand and the PL products, the information on the record is not adequate to establish that the reported differences in product characteristics are measurable or that they would result in more appropriate product matches contemplated in section 771(16) of the Act. See, Proprietary Memorandum to the File, dated July 31, 1998.

Rummo

Rummo reported sales of both insect-infested and defective quality pasta to food banks. The company argues that these sales are not representative of its commercial sales in the United States and that their unusually low prices exaggerate dumping margins when these sales are compared to commercial sales in the home market. On March 17, 1998, Rummo requested that the Department issue a scope ruling to the effect that its transactions with food banks were outside the scope of the antidumping duty order. On May 1, 1998, the Department responded to the request, stating that the transactions are covered by the scope of the order because the antidumping order covers all entries of pasta in packages of five pounds or less.

On May 15, 1998, counsel for Rummo again raised the issue with the Department. We recommended that the company provide the Department with enough information to enable us to distinguish among the different transactions. See Memorandum to the File, dated July 31, 1998. On May 21, 1998, Rummo submitted additional information on the issue with the request that the Department develop a methodology to remove these sales from our antidumping margin calculations. On June 24, 1998, petitioners objected to the request to remove these transactions from margin calculations. Finally, on June 30, 1998, Rummo recapitulated its position on its transactions with food banks, citing to the documents that it had submitted for the record on the subject.

Although it is possible that some of the transactions involving the insect-infested and defective quality pasta may not have constituted commercial sales, from the information Rummo submitted for the record, we are unable to distinguish between sales transactions and transactions that were not commercial sales. Accordingly, in conformance with our practice to include all U.S. sales of subject merchandise in our comparisons, we have preliminarily determined to include all transactions with U.S. food banks in our margin calculations.

Currency Conversion

For purposes of these preliminary results, we made currency conversions in accordance with section 773A(a) of the Act, based on the official exchange rates published by the Federal Reserve. Section 773A(a) of the Act directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a ''fluctuation.'' In accordance with the Department's practice, we have determined as a general matter that a fluctuation exists when the daily exchange rate differs from a benchmark by 2.25 percent. The benchmark is defined as the rolling average of rates for the past 40 business days. When we determine that a fluctuation exists, we substitute the benchmark for the daily rate.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following percentage weighted-average margins exists for the POR:

Producer and/or exporter	Margin (percent)
Arrighi	71.49

Producer and/or exporter	Margin (percent)
Barilla	71.49
De Cecco	0.36
Indalco	1.62
La Molisana	14.33
Pagani	71.49
Puglisi	2.03
Rummo	7.04

We will disclose the calculations used in our analysis to parties to this proceeding within five days of the publication date of this notice. See 19 CFR 351.224(b). Any interested party may request a hearing within thirty days of publication. See 19 CFR 351.310(c). Any hearing, if requested, will be held 44 days after the publication of this notice, or the first workday thereafter. Interested parties are invited to comment on these preliminary results. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Parties who submit case briefs in this proceeding should provide a summary of the arguments, not to exceed five pages and a table of statutes, regulations, and cases cited. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments or at the hearing, within 120 days from the publication of these preliminary results.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Upon completion of this review, the Department will issue appraisement instructions directly to the Customs Service.

For EP sales which were not imported by an affiliated party, we divided the total dumping margins (calculated as the difference between normal value and EP) for each importer/customer by the total value of the sales to that importer/customer. We will direct the Customs Service to assess the resulting *ad valorem* dollar amount against each importer's/customer's entries under the order during the review period.

For CEP sales, we divided the total dumping margins for the reviewed sales by the total entered value of the reviewed sales for each importer. Where an affiliated party acts as an importer for EP sales, we included the applicable EP sales in this assessment-rate calculation. We will direct the Customs Service to assess the resulting percentage margin against the entered customs values for the subject merchandise on each of that importer's entries under the order during the period of review.

To calculate the cash-deposit rate for each producer and/or exporter included in these administrative reviews, we divided the total dumping margins for each company by the total net value for that company's sales during the review period. To derive a single deposit rate for each producer and/or exporter, we weight-averaged the EP and CEP deposit rates (using the EP and the CEP as the weighing factors). We will direct the Customs Service to collect the resulting percentage deposit rate against the entered value of each producer's and/or exporter's entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the final results of this review. Accordingly, as provided in section 751(a)(2)(C) of the Act, the following deposit rates will be effective upon publication of the final results of this for all shipments of certain pasta from Italy entered, or withdrawn from warehouse, for consumption on or after that publication date: (1) The cash deposit rate for companies listed above will be the rate established in the final results of this review, except if the rate is less than 0.5 percent, in which case it is *de minimis* and the cash deposit will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the antidumping investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 11.26 percent, the ''All Others'' rate established in the antidumping investigation. See, final investigation determination.

These cash deposit rates, when imposed, shall remain in effect until the publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402 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 determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: July 31, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–489–805]

Notice of Preliminary Results and Partial Recission of Antidumping Duty Administrative Review: Certain Pasta From Turkey

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

SUMMARY: The Department of Commerce is conducting an administrative review of the antidumping duty order on certain pasta from Turkey. This review covers three exporters of the subject merchandise. The period of review is January 19, 1996, through June 30, 1997.

We have preliminarily found that, for certain exporters, sales of the subject merchandise have been made below normal value. If these preliminary results are adopted in our final results, we will instruct the Customs Service to assess antidumping duties equal to the difference between the export price or constructed export price and the normal value.

We preliminarily find that, for the one company that had shipments during the review period and participated in the review, sales have not been made below normal value. If these preliminary results are adopted in the final results, we will instruct the Customs Service not to assess antidumping duties on the subject merchandise exported by this company.

EFFECTIVE DATE: August 7, 1998.

FOR FURTHER INFORMATION CONTACT: Judith Wey Rudman or John Brinkmann, Office of AD/CVD Enforcement, Group I, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–0192 or (202) 482–5288, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to