the SAA and House Report, the Department normally will provide to the Commission a margin from the investigation, because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order or suspension agreement in place. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the ''all others'' rate from the investigation. *See* Section II.B.1 of the *Sunset Policy Bulletin*. Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations.

As noted above, in its final determination, the Department published a weighted-average dumping margin of 1.70 percent for SIAM and applied that same rate to all other producers/exporters of malleable cast iron pipe fittings from Thailand. This is the only margin of dumping determined by the Department over the life of this order. For the reasons stated above, we agree with CIPFC that respondent interested parties' reliance on a 2 percent de minimis standard is misplaced. Therefore, the Department preliminarily determines that the weighted-averaged dumping margin likely to prevail if the order were to be revoked is 1.70 percent margin from the original investigation.

Preliminary Results of Review

As a result of this review, the Department preliminarily finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. The magnitude of the margin that is likely to prevail is 1.70 percent for Siam and all others.

Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing, if requested, will be held on September 22, 1999. Interested parties may submit case briefs no later than September 13, 1999, in accordance with 19 CFR 351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than September 20, 1999. The Department will issue a notice of final results of this sunset review, which will include the results of its analysis of issues raised in any such comments, no later than November 30, 1999.

This five-year (''sunset'') review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: July 23, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–19445 Filed 7–28–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–351–505]

Preliminary Results of Full Sunset Review: Malleable Cast Iron Pipe Fittings From Brazil

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

ACTION: Notice of preliminary results of full sunset review: malleable cast iron pipe fittings from Brazil.

SUMMARY: On January 4, 1999, the Department of Commerce (''the Department'') initiated a sunset review of the antidumping duty order on malleable cast iron pipe fittings from Brazil (64 FR 364) pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). On the basis of a notice of intent to participate filed on behalf of domestic interested parties and subsequent adequate responses from both domestic and respondent interested parties, the Department is conducting a full review. As a result of this review, the Department preliminarily finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of a dumping at the levels indicated in the Preliminary Results of Review section of this notice.

FOR FURTHER INFORMATION CONTACT: Scott E. Smith or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th & Constitution, Washington, D.C. 20230; telephone: (202) 482–6397 or (202) 482–1560, respectively.

EFFECTIVE DATE: July 29, 1999.

Statute and Regulations

This review is being conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) (''*Sunset Regulations*''), and 19 C.F.R. Part 351 (1998) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) (''*Sunset Policy Bulletin*'').

Scope

Imports covered by this review are shipments of certain malleable cast iron pipe fittings, other than grooved, from Brazil. In the original order, these products were classified in the Tariff Schedules of the United States, Annotated (TSUSA), under item numbers 610.7000 and 610.7400. These products are currently classifiable under item numbers 7307.19.90.30, 7307.19.90.60, and 7307.19.90.80 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

This order applies to all imports of certain malleable cast iron pipe fittings from Brazil.

History of the Order

The Department issued a final determination of sales at less than fair value on March 31, 1986, finding a weighted-average margin of 5.64 percent for Industria de Fundicao Tupy, S.A. (''Tupy''), and for all others (51 FR 10897). The antidumping duty order on malleable cast iron pipe fittings from Brazil was published in the **Federal Register** on May 21, 1986 (51 FR 18640). Since that time the Department has conducted one administrative review of this order, which covered the period from May 1, 1993, to April 30, 1994.[1]

Background

On January 4, 1999, the Department initiated a sunset review of the antidumping duty order on malleable cast iron pipe fittings from Brazil (64 FR 364) pursuant to section 751(c) of the Act. On January 19, 1999, the Department received a Notice of Intent to Participate on behalf of the Cast Iron Pipe Fittings Committee and its members, Grinnell Corporation and Ward Manufacturing (collectively ''CIPFC''), within the applicable deadline specified in section 351.218(d)(1)(i) of the *Sunset*

[1] *See Malleable Cast Iron Pipe Fittings, Other Than Grooved, From Brazil; Final Determination of Sales at Less Than Fair Value*, 51 FR 10897 (May 31, 1986); *Antidumping Duty Order: Malleable Cast Iron Pipe Fittings From Brazil*, 51 FR 18640 (May 21, 1986); and *Malleable Cast Iron Pipe Fittings From Brazil; Final Results of Antidumping Duty Administrative Review*, 60 FR 41876 (August 14, 1995).

Regulations. The CIPFC claimed interested party status under section 771(9)(F) of the Act as an *ad hoc* trade association consisting entirely of U.S. manufacturers of malleable cast iron pipe fittings.

We received a complete substantive response to the notice of initiation on February 3, 1999, on behalf of CIPFC. In its substantive response, CIPFC stated that both it and its two current members have been participants in both the Department's original investigation and in the sole administrative review conducted by the Department.[2] We received a complete substantive response on behalf of Tupy on February 4, 1999. In its substantive response, Tupy claimed interested party status under section 771(9) of the Act, as a foreign producer of malleable cast iron pipe fittings. Tupy also asserted that, to the best of its knowledge, it has always accounted for 100 percent of the exports to the United States of pipe fittings from Brazil, both before and after the issuance of the order.

On February 8, 1999, we granted an extension to all parties to the deadline for filing rebuttal comments. We received rebuttal comments from Tupy and from CIPFC on February 11 and 12, 1999, respectively.

Both Tupy and CIPFC claim that Tupy was, and remains, the only producer of malleable cast iron pipe fittings from Brazil. Therefore, Tupy accounted for significantly more than 50 percent of the value of total exports of the subject merchandise over the five calendar years preceding the initiation of the sunset review and the response of Tupy constituted an adequate response to the notice of initiation. Thus, because the Department received adequate responses from both domestic and foreign interested parties, we are conducting a full (240 day) review in accordance with section 351.218(e)(2)(i) of the *Sunset Regulations.*

The Department determined that the sunset review of the antidumping duty order on malleable cast iron pipe fittings from Brazil is extraordinarily complicated. In accordance with section 751(c)(6)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). (*See* section 751(c)(6)(C) of the Act.) Therefore, on May 3, 1999, the Department extended the time limit for completion of the preliminary results of this review until not later than July 23, 1999, in accordance with section 751(c)(5)(B) of the Act.[3]

Determination

In accordance with section 751(c)(1) of the Act, the Department is conducting this review to determine whether revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Section 752(b) of the Act provides that, in making this determination, the Department shall consider the weighted-averaged dumping margins determined in the original investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order and shall provide to the International Trade Commission (''the Commission'') the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's preliminary determinations concerning continuation or recurrence of dumping and magnitude of the margin likely to prevail are discussed below. In addition, parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin likely to prevail are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Party Comments

In its substantive response, CIPFC argued that revocation of the antidumping duty order would likely result in the continuation or resumption of dumping of malleable cast iron pipe fittings from Brazil.[4] CIPFC asserted that, since the imposition of the antidumping duty order in 1986, Tupy has continued dumping at margins well over a *de minimis* level. As support for this assertion, CIPFC argued that the Department's revision of Tupy's margin in the sole administrative review of this order, from 5.64 percent to 34.64 percent is evidence that there is likelihood of continuation or recurrence of dumping as Tupy has continued dumping with the discipline of an order in place.[5]

With respect to whether imports of the subject merchandise have either fallen dramatically or ceased following the imposition of the antidumping duty order, CIPFC argued that import volumes dropped significantly after the order was put into place. CIPFC contended that, in 1984, prior to the imposition of the order, imports of the subject merchandise totaled 3,274,000 pounds. In 1985, imports decreased significantly, to 476,000 pounds, and then rose slightly in 1986 and 1987 to 816,000 pounds and 762,000 pounds, respectively.[6] According to CIPFC, these data represent total imports of malleable cast iron pipe fittings from Brazil, but, since Tupy is the only known Brazilian exporter of the subject merchandise, it is reasonable to assume that these numbers represent Tupy's exports to the United States during those calendar years.

CIPFC also argued that import volumes in subsequent years gradually began to rise, although never managing to come close to the peak volume of 1984. In 1991, the total volume of imports of the subject merchandise was 721,385 pounds. This volume subsequently increased in 1992, 1993, and 1994 to a range between 1.3 million pounds in 1992 and 1.7 million pounds in 1994.[7] CIPFC asserted that, following the 1995 administrative review in which the Department found that Tupy was dumping at a rate of 34.64 percent, imports of the subject merchandise from Brazil (and, accordingly, Tupy's exports of the subject merchandise) fell dramatically to 818 pounds and have only now begun to start again.

CIPFC concluded by arguing that the data, showing a decline in import volumes of malleable cast iron pipe fittings from Brazil accompanied by the continued existence of dumping margins after the order, provide a strong indication that Tupy will continue or resume dumping if the order is revoked.[8] Therefore, CIPFC asserted that the Department should determine that there is a likelihood of continuation or recurrence of dumping if the order is revoked.

Tupy, in its substantive response of February 4, 1999, argued that the likely effects of revocation of the order on pipe fittings from Brazil would not be a continuation or recurrence of dumping by Tupy. Accordingly, because there is no other Brazilian producer and exporter of pipe fittings, Tupy asserted

[2] CIPFC's current members are Grinnell Corporation and Ward Manufacturing. The Committee previously consisted of five members, including Grinnell and Ward. The other three members have since gone out of business. CIPFC's members represent ''virtually'' all domestic production of malleable cast iron pipe fittings, other than grooved.

[3] *See Malleable Cast Iron Pipe Fittings From Brazil and Thailand: Extension of Time Limit for Preliminary Results of Five-Year Reviews,* 64 FR 23598 (May 3, 1999).

[4] *See* CIPFC substantive response of February 3, 1999, page 6.

[5] *See* CIPFC substantive response of February 3, 1999, page 8.

[6] *See* Table 1 in CIPFC's substantive response of February 3, 1999, page 9.

[7] *See* Table 2 of CIPFC substantive response, page 10.

[8] *See* CIPFC substantive response, page 10.

that there is no other reason to expect that pipe fittings from Brazil will be dumped in the United States in the event the order is revoked.[9]

Tupy explained in its substantive response that following the imposition of the incorrect and prohibitive best information available (BIA) rate of 34.64 percent in the administrative review, Tupy ceased exports of the subject merchandise to the United States in favor of other markets and other product lines. Tupy also asserted that it has recently begun to resume exports of pipe fittings to the United States. Tupy claims that it has no intention of dumping because it can now compete in the United States without dumping.

In its rebuttal response of February 11, 1999, CIPFC argued that Tupy is still interested in the U.S. market and that Tupy's statement that it has no intention of dumping is nothing more than an unsubstantiated, self-serving statement and should be disregarded as such.[10] According to CIPFC, Tupy has presented no credible basis for the Department to find that revocation of the antidumping duty order is not likely to lead to continuation or recurrence of dumping.[11]

Tupy did not address the issue of whether dumping was likely to continue were the order to be revoked in its rebuttal comments.

Department's Determination

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (''URAA''), specifically the Statement of Administrative Action (''the SAA''), H.R. Doc. No. 103–316, vol. 1 (1994), the House Report, H.R. Rep. No. 103–826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103–412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the basis for likelihood determinations. The Department clarified that determinations of likelihood will be made on an order-wide basis (*see* section II.A.3 of the *Sunset Policy Bulletin*). Additionally, the Department normally will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (*see* section II.A.3.a of the *Sunset Policy Bulletin*).

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63–64, the existence of dumping margins after the order, or the cessation of imports after the order, is highly probative of the likelihood of continuation or recurrence of dumping. If companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the order were revoked. If imports cease after the order is issued, it is reasonable to assume that the exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping. Since deposit rates above *de minimis* remain in effect for exports of malleable cast iron pipe fittings from Brazil, evidence suggests that exporters cannot sell in the U.S. market without dumping.

With respect to whether imports of the subject merchandise ceased following the imposition of the original antidumping duty order, the Department preliminarily finds that imports of the subject merchandise to the United States declined dramatically from a high point of 3,274,437 pounds (1485.28 metric tons) in 1984 to 761,050 pounds (345.21 metric tons), in 1987. Imports increased dramatically in 1988, exceeding 3 million pounds (1400 metric tons) and then fell again. However, following the 1995 issuance of the final results of the sole administrative review conducted by the Department, imports subsequently ceased and only in 1998 began to resume. Since Tupy is the only Brazilian producer of malleable cast iron pipe fittings, as stated in the substantive responses of both parties, it is reasonable to assume that these numbers accurately reflect Tupy's exports to the United States. Therefore, since dumping margins have continued over the life of the order, the Department preliminarily determines that dumping is likely to continue if the order were revoked.

Magnitude of the Margin

Party Comments

In its February 3, 1999, substantive response, CIPFC argued that the Department should determine that the margin likely to prevail if the antidumping duty order were to be revoked is the more recent rate of 34.64 percent. According to CIPFC, the more recently calculated margin of 34.64 percent is more representative of Tupy's likely behavior if the Department revokes the order than the original rate of 5.64 percent.[12]

CIPFC argued that, since the imposition of the antidumping duty order in 1986, Tupy has been attempting to increase its share of the U.S. market for malleable pipe fittings. According to CIPFC, in 1986 Tupy accounted for approximately 0.67 percent of the U.S. market or 0.8 million pounds. CIPFC also argues that, by 1994, when the Department found a margin of 34.64 percent, Tupy had exported 1.75 million pounds or approximately twice the volume of its exports in 1986. Thus, according to the CIPFC, Tupy had been trying to gain a greater percentage of market share in what CIPFC termed a mature low-growth or no-growth market.[13]

Additionally, CIPFC argued that Tupy attempted to secure the 5.64 percent rate of the original investigation by not participating in the administrative review and forcing the Department to use BIA in determining the margin. Since the Department's normal procedure is to limit the BIA rate to the highest rate determined in the original investigation and since Tupy was the only company investigated, CIPFC asserted that Tupy believed that it could secure the 5.64 percent rate when it did not participate in the administrative review. Therefore, CIPFC contended that the use of the 5.64 percent rate in the context of this sunset review would permit Tupy to benefit from the very behavior that the Department sought to sanction in 1995. Therefore, the CIPFC concluded, the Department should find that a dumping margin of 34.64 percent is a more accurate rate than the original rate, that it better reflects Tupy's likely dumping in the event of revocation, and that, therefore, it is the legally correct rate to provide to the Commission.[14]

In its substantive response of February 4, 1999, Tupy argued that, pursuant to the *Sunset Policy Bulletin*, the correct margin to be applied to Tupy in the event of revocation of the antidumping duty order is the rate that was determined in the original investigation. Tupy asserted that the Department may not choose the higher margin from the final results of review issued in 1995 simply because that rate was determined more recently. Tupy

[9] *See* Tupy substantive response of February 4, 1999, page 4.

[10] *See* CIPFC rebuttal response of February 11, 1999, page 3, to Tupy's substantive response of February 4, 1999.

[11] *See* CIPFC rebuttal response of February 11, 1999, page 4.

[12] *See* CIPFC substantive response of February 3, 1999, page 11.

[13] *See* CIPFC substantive response of February 3, 1999, page 12.

[14] *See* CIPFC substantive response of February 3, 1999, page 13–14.

also argued that the record of this case does not justify the higher rate because Tupy asserts that it has not attempted to increase market share since the imposition of the order. Tupy argued, therefore, that the Department should follow its standard practice of determining that the margin likely to prevail if the order were revoked would be the margin from the original investigation, 5.64 percent.

In its rebuttal, CIPFC argued that, since U.S. imports from Brazil increased while at the same time Tupy's margin also increased, it is reasonable to infer that Tupy was attempting to increase its market share between 1986 and 1995.[15] Thus, CIPFC asserted that Tupy increased exports by dumping in the mid-1980s and then, following the imposition of the order, decreased its imports to the United States substantially. CIPFC argued that, in the early 1990s, Tupy again attempted to gain market share and began increasing its exports to the United States by dumping at higher margins only to cease exporting when the Department determined that there was a new, higher dumping margin. Therefore, CIPFC asserted that the margin of dumping that will prevail if the order is revoked will be the higher margin of 34.64 percent.

In its rebuttal comments Tupy continued to argue that the Department should use the 5.64 percent margin from the original investigation. Tupy asserted that this is consistent with the Department's policy and practice. Citing to the final results of the expedited sunset review on the antidumping duty order on roller chain from Japan, Tupy asserted that, in order for the Department to consider a margin other than one determined in an original investigation, the domestic parties have the burden of affirmatively demonstrating that higher, more recent margins reflect a consistent pattern of behavior by respondents to obtain or increase market share. Tupy asserted the CIPFC has not met this burden. Further, Tupy asserted that it has never held a commercially significant share of the U.S. market. Tupy disputed the statistics concerning market share provided by CIPFC but argued nonetheless that, even if CIPFC's statistics were used, Tupy's share of the U.S. market was its highest in 1984 at 2.3 percent and that its market share was 1.18 percent and 1.28 percent in 1993 and 1994, respectively. Tupy asserted that the slight increase of 0.67 percent in its 1993 and 1994 market share over its 1986 market share hardly warrants selecting the 34.64 percent BIA rate.

Department's Determination

In the *Sunset Policy Bulletin,* the Department stated that, consistent with the SAA and House Report, the Department normally will provide to the Commission a margin from the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order or suspension agreement in place.[16] Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations.

In its substantive response, CIPFC urged the Department to determine that the magnitude of the margin likely to prevail if the order were revoked is 34.64 percent, which is the rate that was determined in the sole administrative review and the one that is currently in effect. CIPFC argued, in both its substantive response and in its rebuttal, that the Department may choose a higher, more recent margin. Specifically, the *Sunset Policy Bulletin,* at section II.B.2 states that a company may choose to increase dumping in order to maintain or increase market share. As a result, increasing margins may be more representative of a company's behavior in the absence of an order. Therefore, the Department may, in response to an argument from an interested party, provide to the Commission a more recently calculated margin for a particular company where, for that particular company, dumping margins increased after the issuance of the order, even if the increase was a result of the use of BIA.

As discussed in Final Results of Expedited Sunset Review: Stainless Steel Plate From Sweden, 63 FR 67658 (December 8, 1998), the Department intended to establish a policy of using the margin from the original investigation as a starting point, thus providing interested parties the opportunity and incentive to present data which would support a different estimate. Additionally, in *Barium Chloride From the People's Republic of China,* 64 FR 5633, 5635 (February 4, 1999), the Department determined that where there is an increase in imports corresponding to the increase in the dumping margin, the Department may determine that the higher rate is more representative of the behavior of the company without the discipline of an order in place.

In the instant case, however, the Department finds that annual import volumes for the subject merchandise have fluctuated during the life of the order and no consistent pattern of behavior by Tupy can be discerned. From 1986, the year of the imposition of the order, through the period prior to the conclusion of the 1993–94 administrative review, the Department finds no pattern of consistently increasing imports of subject merchandise associated with increasing dumping margins. Imports fluctuated during this period, increasing and decreasing during a period when the deposit rate was constant. Imports of subject merchandise during this period were both above and below pre-order levels. In addition, estimates provided by Tupy concerning its U.S. market share during this period also indicate that there were fluctuations in its share of the U.S. market.

Given the fluctuations over the life of the order, the Department finds no reason to believe that Tupy attempted to increase its U.S. market share through the increased dumping of subject merchandise. Because of this, the Department preliminarily finds that the use of a more recently calculated margin in its report to the Commission would be inappropriate. Therefore, we determine that the margins calculated in the original investigation best reflect the behavior of producers/exporters without the discipline of the order and we find that the margins calculated in the original investigation are probative of the behavior of Brazilian producers/exporters of the malleable cast iron pipe fittings if the order were revoked. As such, if these results are adopted for the Department's final determination, we will report to the Commission the rate established for Tupy (as well as for all other producers/exporters of the subject merchandise) in the original investigation as contained in the Preliminary Results of Review section of this notice.

Preliminary Results of Review

As a result of this review, the Department preliminarily finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. The magnitude of the margin that is likely to prevail is 5.64 percent.

Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing, if requested, will be held on September 22, 1999. Interested parties may submit case briefs no later than September 13, 1999, in accordance with 19 CFR

[15] *See* CIPFC rebuttal response of February 11, 1999, page 6.

[16] *See* section II.B.1 of the *Sunset Policy Bulletin.*

351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than September 20, 1999. The Department will issue a notice of final results of this sunset review, which will include the results of its analysis of issues raised in any such comments, no later than November 30, 1999.

This five-year (''sunset'') review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: July 23, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–19446 Filed 7–28–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–333–401]

Preliminary Results of Full Sunset Review: Cotton Shop Towels From Peru

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

ACTION: Notice of preliminary results of full Sunset Review: Cotton shop towels from Peru.

SUMMARY: On January 4, 1999, the Department of Commerce (''the Department'') initiated a sunset review of the suspended countervailing duty investigation on cotton shop towels from Peru (64 FR 364) pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). On the basis of a notice of intent to participate filed on behalf of the domestic industry and adequate substantive comments filed on behalf of both the domestic industry and respondent interested parties, the Department is conducting a full review. As a result of this review, the Department preliminarily finds that termination of the suspended countervailing duty investigation would not likely lead to continuation or recurrence of a countervailable subsidy.

FOR FURTHER INFORMATION CONTACT: Scott E. Smith or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW, Washington, D.C. 20230; telephone: (202) 482–6397 or (202) 482–1560, respectively.

EFFECTIVE DATE: July 29, 1999.

Statute and Regulations

This review is being conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders,* 63 FR 13516 (March 20, 1998) (*''Sunset Regulations''*) and in 19 CFR Part 351 (1998) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin,* 63 FR 18871 (April 16, 1998) (*''Sunset Policy Bulletin''*).

Scope

The merchandise subject to this suspended countervailing duty investigation is cotton shop towels from Peru. Shop towels are absorbent industrial wiping cloths made from a loosely woven fabric. Shop towels are currently classifiable under item numbers 6307.10.2005 and 6307.10.2015 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description remains dispositive.

History of the Order

On June 21, 1984, the Department issued an affirmative preliminary determination in the countervailing duty investigation on cotton shop towels from Peru (49 FR 26273). The Department preliminarily found a net bounty or grant of 44 percent *ad valorem* based on the certificate of tax rebate (CERTEX) and non-traditional export fund (FENT).

On September 12, 1984, the Department suspended the countervailing duty investigation on the basis of an agreement between the Department and Fabrica de Tejidos La Union Limitada, S. A. (''La Union'') and Santa Cecilia Compania Textil, S.A. (''Santa Cecilia'') to cease exports of the subject merchandise to the United States (49 FR 35835). No final determination was issued in this case and the Department has not conducted an administrative review.

Beginning in 1989, the Department began publishing notices of intent to terminate the suspended investigation. However, on the basis of objections by Milliken & Company (''Milliken''), the Department has not terminated the suspended investigation.[1]

Background

On January 4, 1999, the Department initiated a sunset review of the suspended countervailing duty investigation on cotton shop towels from Peru (64 FR 364), pursuant to section 751(c) of the Act. The Department received an Entry of Appearance from Milliken on January 19, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations.*

The Department received complete substantive responses from the Government of Peru, the Comite Textil—Sociedad Nacional de Industrias (''Comite Textil'') and from Milliken on February 10, 1999, within the deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i).[2]

In its substantive response, Milliken claimed interested party status under section 19 U.S.C. 1677(9)(C), as a domestic producer of shop towels. Further, Milliken stated that it was the sole petitioner in the original investigation of shop towels from Peru and had participated as a domestic producer interested party in the proceeding since 1984.

In its substantive response, the Comite Textil stated that it is a Peruvian trade association whose members are textile manufacturers, producers, and exporters. The Comite Textil claimed interested party status under section 771(9) of the Act. Moreover, two of the Comite Textil's members, La Union and Santa Cecilia, are the two Peruvian

[1] *See Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 54 FR 38262 (September 15, 1989); *Cotton Shop Towels from Peru; Determination Not to Terminate Suspended Investigation,* 54 FR 43977 (October 30, 1989); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 55 FR 35921 (September 4, 1990); *Cotton Shop Towels from Peru; Determination Not to Terminate Investigation,* 55 FR 43994 (October 29, 1990); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 57 FR 39391 (August 31, 1992); *Cotton Shop Towels from Peru; Determination Not to Terminate Suspended Investigation,* 57 FR 52614 (November 4, 1992); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 59 FR 45261 (September 1, 1994); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 61 FR 40408 (August 2, 1996); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 61 FR 41128 (August 7, 1996); *Cotton Shop Towels from Peru; Determination Not to Terminate Suspended Investigation,* 61 FR 47885 (September 11, 1996).

[2] On February 3, 1999, the Department received and granted a request from the Government of Peru for a five working-day extension of the deadline for filing substantive responses in this sunset review. This extension was granted for all participants eligible to file substantive comments in this review. The deadline for filing rebuttals to the substantive comments therefore became February 10, 1999.