

transactions. Since the parent company ultimately controls the capital of all affiliates in which it holds a controlling interest, and due to the nature of certain intercompany transactions, we have used the parent company's financing expense rate as a reasonable surrogate for purposes of our final determination.

We have also adjusted the parent company's CV financing expense rate to allow an offset for credit expenses and inventory carrying cost as is our normal practice.

For purposes of our final determination, we have allocated financing expense of the further manufacturing operations based on cost of sales rather than weight. (See *Final Determinations of Sales at Less than Fair Value: Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the Federal Republic of Germany*, 54 FR 18992, 19076, May 3, 1989.)

Comment 6: Petitioner contends that BKL understated total cost through the incorrect reporting of pension costs. Petitioner argues that BKL excluded certain pension costs in reporting its cost for the subject merchandise, claiming that the pension costs do not reflect the actual costs that will be incurred. According to petitioner, because generally accepted accounting principles ("GAAP") in the U.K. required BKL to include an additional amount for pension costs in its audited financial statements, such costs must be included in the COP and CV of subject merchandise in order to accurately reflect BKL's fully absorbed cost for subject merchandise.

Department's Position: We agree with petitioner, and have adjusted labor costs to reflect pension expense in conformity with U.K. GAAP for purposes of our final determination. To be in conformity with U.K. GAAP, an entity is required to perform an annual recalculation of pension expense to account for fluctuations in investment performance. The purpose of this recalculation is to more accurately reflect an entity's year-end pension liability. Not adjusting the pension liability to conform with U.K. GAAP would result in an understatement of per-unit costs of production. (See *Calculation Memorandum* from Theresa L. Caherty and Peter S. Scholl to Christian B. Marsh, dated February 9, 1995, ("Proprietary Document").)

Comment 7: Petitioner states that the Department may not have properly adjusted FMV to account for VAT for any calculations where FMV is based on CV. As a result, petitioner maintains that USP was overstated and BKL's dumping margin was understated.

Respondent cites to *Federal-Mogul Corp. v. U.S.*, 813 F. Supp 856 (CIT 1993), stating the Department is authorized to "add only the amount of tax actually paid on each home market sale." Respondent states that CV is not associated with an amount of VAT actually paid, because CV is not based on actual sales. Thus, an imputed amount for VAT cannot be included in CV.

Department's Position: In accordance with the statute, our practice is to exclude indirect taxes on component materials from CV if the taxes are rebated upon export. Once we have excluded the VAT on component materials from the constructed value, we cannot add the VAT to USP because section 772(d)(1)(C) of the Act requires that we add internal taxes to USP only to the extent that those taxes are included in the FMV.

Suspension of Liquidation

We are directing the U.S. Customs Service to continue to suspend liquidation of all entries of butt-weld pipe fittings from the U.K., as defined in the "Scope of Investigation" section of this notice, that are entered or withdrawn from warehouse for consumption on or after July 6, 1994, the date 90 days prior to the date of publication of our preliminary determination, pursuant to section 735(c)(4)(A) of the Act.

The Customs Service shall require a cash deposit or the posting of a bond equal to the estimated weighted-average amount by which the foreign market value of the subject merchandise exceeds the U.S. price as shown below. This suspension of liquidation will remain in effect until further notice. The weighted-average dumping margins are as follows:

Manufacturer/producer/exporter	Margin (percent)
BKL Industries, Ltd	48.85
All other producers/exporters ...	48.85

ITC Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination.

Notice to Interested Parties

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Failure to comply is a violation of the APO.

This determination is published pursuant to section 735(d) of the Act (19 U.S.C. 1671(d)).

Dated: February 16, 1995.

Barbara R. Stafford,

Acting Assistant Secretary for Import Administration.

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[A-307-812]

Notice of Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Butt-Weld Pipe Fittings From Venezuela

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

EFFECTIVE DATE: February 27, 1995.

FOR FURTHER INFORMATION CONTACT: Sue Strumbel, Office of Countervailing Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC. 20230; telephone (202) 482-1442.

Final Determination

The Department of Commerce (the Department) determines that certain carbon steel butt-weld pipe fittings (pipe fittings) are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (the Act) (19 U.S.C. 1673b). The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

Scope of the Investigation

The products covered by this investigation are certain carbon steel butt-weld pipe fittings having an inside diameter of less than fourteen inches (355 millimeters), imported in either finished or unfinished condition. Pipe fittings are formed or forged steel products used to join pipe sections in piping systems where conditions require permanent welded connections, as distinguished from fittings based on other methods of fastening (e.g., threaded, grooved, or bolted fittings). Butt-weld fittings come in a variety of shapes which include "elbows," "tees," "caps," and "reducers." The edges of finished pipe fittings are beveled, so that when a fitting is placed against the end of a pipe (the ends of which have also been beveled), a shallow channel is created to accommodate the "bead" of the weld which joins the fitting to the pipe. These pipe fittings are currently classifiable under subheading 7307.93.3000 of the Harmonized Tariff

Schedule of the United States ("HTSUS"). Although the HTSUS subheading is provided for convenience and Customs purposes, our written description of the scope of this investigation is dispositive.

Period of Investigation

The period of investigation ("POI") is September 1, 1993, through February 28, 1994.

Case History

Since our preliminary determination (50 FR 50561, October 4, 1994) the following events have occurred. On October 14, 1994 the respondents requested a postponement of the final determination. This request was granted (59 FR 56461, November 14, 1994), and the final was postponed by the Department until no later than February 16, 1995. On January 23, 1995, both parties submitted case briefs. On January 23, 1995 petitioner submitted its rebuttal brief.

Best Information Available

In accordance with section 776(c) of the Act, we have determined that the use of best information available (BIA) is appropriate for all companies. Given that neither of the two named companies responded to the Department's questionnaire, we find that no respondents have cooperated in this investigation.

The Department's usual practice under these circumstances would be to assign respondents the highest margin alleged in the petition as BIA. See Final Determination of Sales at Less Than Fair Value: Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the Federal Republic of Germany (54 FR 19033, May 3, 1989). In this case, however, a fundamental flaw in the petition calculation methodology has led the Department to reject the use of the highest margin alleged in the petition as BIA. Unlike the other Certain Carbon Steel Butt-Weld Pipe Fittings investigations, petitioner was unable to obtain U.S. price quotes for purposes of the initiation. Rather, U.S. price was based upon an average of U.S. Customs import statistics which did not take into account the relationship between the size of the fitting and its value per pound. Moreover, there is no record information which would allow us to make this adjustment to USP. Therefore, we have weight averaged the FMVs of all size fittings in the petition, and compared that average FMV to the average customs U.S. import value in the petition. This yields a single margin for use as BIA of 203.63%. This margin will be assigned to each of the

respondents. (See, Memorandum on File Dated: February 16, 1995).

Suspension of Liquidation

In accordance with section 733(d)(1) (19 U.S.C. 1673b(d)(1)) of the Act, we are directing the U.S. Customs Service to continue to suspend liquidation of all entries of certain carbon butt-weld pipe fittings from Venezuela, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated margin amount by which the foreign market value of the subject merchandise exceeds the United States price as shown below. The suspension of liquidation will remain in effect until further notice.

Manufacturer/producer/exporter	Weighted average margin percent
All Companies	203.63

International Trade Commission (ITC) Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination. As our final determination is affirmative, the ITC will determine whether imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry within 45 days.

If the ITC determines that material injury or threat of material injury does not exist, the proceedings will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled. However, if the ITC determines that such injury does exist, we will issue an antidumping duty order directing Customs officers to assess an antidumping duty on certain carbon steel butt-weld pipe fittings from Venezuela entered or withdrawn from warehouse, for consumption on or after the date of suspension of liquidation.

Notification to Interested Parties

This notice serves as the only reminder to parties subject to administrative protective order (APO) in this investigation of their responsibility covering the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Failure to comply is a violation of the APO.

This determination is published pursuant to section 735(d) of the Act (19

U.S.C. 1673d(d)) and 19 CFR 353.20(a)(4).

Dated: February 16, 1995.

Barbara R. Stafford,
Acting Assistant Secretary for Import Administration.

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[A-821-807]

Notice of Amended Preliminary Determination of Sales at Less Than Fair Value: Antidumping Duty Investigation of Ferrovandium and Nitrided Vanadium From the Russian Federation

AGENCY: Import Administration, International Trade Administration, Commerce.

EFFECTIVE DATE: February 27, 1995.

FOR FURTHER INFORMATION CONTACT: Louis Apple or David J. Goldberger, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C., 20230; telephone (202) 482-1769 or (202) 482-4136.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute and to the Department's regulations are references to the provisions as they existed on December 31, 1994. References to Antidumping and Countervailing Duties: Notice of Proposed Rulemaking and Request for Public Comments, 57 FR 1131 (January 10, 1992) (Proposed Regulations), are provided solely for further explanation of the Department's AD practice with respect to amended preliminary determinations. Although, the Department has withdrawn the particular rulemaking proceeding pursuant to which the Proposed Regulations were issued, the subject matter of these regulations is being considered in connection with an ongoing rulemaking proceeding which, among other things, is intended to conform the Department's regulations to the Uruguay Round Agreements Act. See 60 FR 80 (January 3, 1995).

Scope of Investigation

This investigation covers ferrovandium and nitrided vanadium. The scope is fully described in the preliminary determination.

Case History

On December 27, 1994, the Department of Commerce (the Department) made its affirmative