

Comment 15: The petitioners state that in its test for sales below cost in the home market, the Department neglected to subtract after-sale rebates and freight charges. The petitioners further state that in calculating total cost, the Department neglected to include home market packing expenses.

Department's Position: We disagree with the petitioners. After-sale rebates, home market packing expenses, and freight are included in reported costs, and are therefore also included in price for the purpose of the cost test.

Comment 16: The petitioners state that the Department failed to add U.S. packing expenses to CV.

Department's Position: We disagree with the petitioners; U.S. packing expenses were included in CV for the preliminary results. However, since CV was not used in these final results, this point is moot. Clerical Errors Alleged in the Fifth and Sixth Reviews

Comment 17: The petitioners state the Department double-counted after-sale rebates by including them in both direct and indirect selling expenses.

Department's Position: We agree with the petitioners, and have amended the final results to remove after-sale rebates from home market indirect selling expenses.

Comment 18: The petitioners state that in the 1992-1993 review, the Department failed to include inventory carrying costs in the calculation of U.S. indirect selling expenses.

Department's Position: We agree and have added inventory carrying costs to indirect selling expenses for ESP sales.

Comment 19: Petitioner states that the Department should increase both the adjustment for different alloys and the adjustment for other differences in merchandise to account for the VAT.

Department's Position: We inadvertently failed to increase the adjustments for differences in merchandise and differences in alloys by the VAT rate. We have corrected this oversight for these final results.

Final Results of Reviews

As a result of our analysis of the comments received, we determine that the following margins exist for Wieland:

Manufacturer/exporter	Period	Percent margin
Wieland-Werke AG	3/1/90-2/28/91	2.04
	3/1/91-2/28/92	2.36
	3/1/92-2/28/93	0.46

Individual differences between the USP and FMV may vary from the above percentages. The Department shall

instruct the Customs Service to liquidate all appropriate entries.

Furthermore, the following deposit requirements will be effective for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results, as provided for by section 751(a)(1) of the Act:

(1) The cash deposit rate for Wieland will be zero, since the rate published in the final results of review for the 1993-1994 period is *de minimis*;

(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 these reviews, a prior review, or the original less-than-fair-value (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) 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 8.87%, the "all others" rate established in the LTFV investigation.

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during the review periods. 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 notice also serves as a reminder to parties subject to administrative protective order (APOs) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction. These administrative reviews and this notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: July 11, 1995.

Susan G. Esserman,

Assistant Secretary for Import Administration.

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[A-428-821, A-588-837]

Initiation of Antidumping Duty Investigations: Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, From Germany and Japan

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

EFFECTIVE DATE: July 27, 1995.

FOR FURTHER INFORMATION CONTACT: Bill Crow or James Maeder, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 482-0116 and 482-3330, respectively.

Initiation of Investigations

The Applicable Statute

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 (URAA).

The Petitions

On June 30, 1995, we received petitions filed in proper form by Rockwell Graphic Systems, Inc. and its parent company, Rockwell International Corporation (the petitioner). Supplements to the petitions were received on July 17 and 19, 1995. In accordance with section 732(b) of the Act, the petitioner alleges that large newspaper printing presses from Germany and Japan are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that these imports are materially injuring, or threaten material injury to, a U.S. industry.

The petitioner has stated that it has standing to file these petitions because it is an interested party, as defined under section 771(9)(C) of the Act. The petitioner also states that it has filed the petitions on behalf of the U.S. industry producing the product that is subject to this investigation.

Determination of Industry Support for the Petitioner

Section 732(c)(4)(A) of the Act requires the Department to determine, prior to the initiation of an investigation, that a minimum percentage of the domestic industry supports an antidumping petition. A petition meets these minimum requirements if (1) the domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product; and (2) the domestic producers or workers who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. For purposes of our analyses, we accept the definition of the domestic like product as defined in the petitions.

A review of the production data provided in the petitions indicates that the petitioner accounts for more than 25 percent of the total production of the domestic like product and for more than 50 percent of that produced by companies expressing support for, or opposition to, the petitions. The Department received no expressions of opposition to the petitions by domestic producers of the domestic like product. However, on July 17, 1995, Mitsubishi Heavy Industries, Ltd. (MHI) submitted on the Japanese record a challenge to the petitioner's claim that the petition was filed on behalf of the domestic industry with respect to newspaper press components, alleging that petitioner lacks standing because it does not produce all components (*e.g.*, folders), subcomponents and parts (*e.g.*, reel stands, paper guides, screws, etc.) of the subject merchandise. Also, on July 18, 1995, MAN Roland, Inc. (MAN Roland) submitted in connection with the German petition a challenge to the petitioner's claim that the petition was filed on behalf of the domestic industry with respect to newspaper press components.

The petitioner filed a response to both challenges on July 19, 1995. In addition, in an ex-parte meeting with Department officials, the petitioner clarified certain elements of the scope language submitted in the original petitions. With respect to the arguments concerning parts manufacturing, we have found MHI's and MAN Roland's challenges to be unsubstantiated. Rockwell is a producer of all five of the named newspaper press components designated as within the scope of these investigations as it attested to in its July 19 affidavit.

With respect to the argument that the petitioner does not produce subcomponents and parts, we note that the subject merchandise defined in the scope section of this notice clarifies that the domestic like product identified in the petition is limited to large newspaper printing press systems, press additions, and the five named major press system components. The subcomponents and parts identified by MHI are not included in the definition of the domestic like product accepted by the Department. As such, there is no issue with respect to domestic producers of printing press subcomponents or parts.

MAN Roland also argued that the petitioner does not manufacture presses using flexographic printing technology and, therefore, has not presented evidence of sufficient industry support. Based on the petitioner's attestation, MAN Roland is incorrect. The petitioner has produced and sold, and remains capable of producing and selling, large newspaper printing presses using flexographic printing technology, as discussed in its July 19 and 20, 1995, submissions.

Therefore, the Department determines that both the German and the Japanese petitions are filed on behalf of the domestic producers of large newspaper printing presses, and the five named components designated in the petitions.

Scope of Investigations

The products covered by these investigations are large newspaper printing presses, including press systems, press additions and press components, whether assembled or unassembled, that are capable of printing or otherwise manipulating a roll of paper more than two pages across. A page is defined as a newspaper broadsheet page in which the lines of type are printed perpendicular to the running of the direction of the paper or a newspaper tabloid page with lines of type parallel to the running of the direction of the paper.

In addition to complete systems, the scope of these investigations includes the five press system components. They are:

- (1) A printing unit, which is any component that prints in monochrome, spot color and/or process (full) color, or a printing-unit cylinder;
- (2) A reel tension paster (RTP), which is any component that feeds a roll of paper more than two newspaper broadsheet pages in width into a subject printing unit;
- (3) A folder, which is a module or combination of modules capable of cutting, folding, and/or delivering the

paper from a roll or rolls of newspaper broadsheet paper more than two pages in width into a newspaper format;

(4) Conveyance and access apparatus capable of manipulating a roll of paper more than two newspaper broadsheet pages across through the production process and which provides structural support and access; and

(5) A computerized control system, which is any computer equipment and/or software *designed specifically* to control, monitor, adjust, and coordinate the functions and operations of large newspaper printing presses or press components.

A press addition is comprised of a union of one or more of the press components defined above and the equipment necessary to integrate such components into an existing press system.

Because of their size, large newspaper printing press systems, press additions, and press components are typically shipped either partially assembled or unassembled. Any of the five components, or collection of components, the use of which is to fulfill a contract for large newspaper printing press systems, press additions, or press components, regardless of degree of disassembly and/or degree of combination with non-subject elements before or after importation, is included in the scope of this investigation. This scope does not cover spare or replacement parts. Further, these investigations cover all current and future printing technologies capable of printing newspapers, including, but not limited to lithographic (offset or direct), flexographic, and letterpress systems.

The products covered by these investigations are imported into the United States under subheadings 8443.11.10, 8443.11.50, 8443.30.00, 8443.60.00, and 8443.90.50 of the HTSUS. Large newspaper printing presses may also enter under HTSUS subheadings 8443.21.00 and 8443.40.00. Large newspaper printing press computerized control systems may enter under HTSUS subheadings 8471.91.00, 8524.21.00, 8524.90.00, and 8537.10.00. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these investigations is dispositive.

Export Price and Normal Value

Germany

The petitioner based gross export price on detailed pricing information on a sale to a customer in the United States obtained by the bidding process for newspaper press sales. The petitioner

deducted from a delivered price a certain proprietary allowance, installation costs, training expenses, and movement charges, including foreign inland freight, foreign port and loading charges, ocean freight, marine insurance, U.S. wharfage expenses, U.S. port and loading costs, U.S. duty, and U.S. inland freight expenses.

According to the petitioner, the German home market is viable. However, contending that large newspaper printing presses sold in Germany differ substantially from those sold in the United States, the petitioner was unable to provide information for sales of identical or similar large newspaper printing presses sold in both markets. Accordingly, the petitioner based normal value on constructed value (CV).

CV includes the cost of manufacturing (COM), selling, general and administrative expenses (SGA), interest expense, U.S. packing and profit. For COM, the petitioner estimated overhead production factors and material requirements based on its own bid proposal cost of production model for the U.S. sale used in its allegation. The petitioner valued labor and overhead (excluding depreciation) using publicly available data for Germany. Where German market specific costs were unavailable, the petitioner relied on its own experience. Major component parts were valued using price quotes received from a German supplier where available. Because petitioner was unable to obtain German prices for the remaining material parts, it relied on its own experience as a reasonable surrogate. Therefore, the petitioner used Rockwell Graphic Systems' actual price paid to a U.S. supplier to value all the remaining material parts.

As part of COM, the petitioner included an amount for depreciation expense computed from MAN Roland's 1994 financial statements. As noted above, however, the petitioner based the materials costs on supplier price quotes which would reasonably recover the suppliers' costs, including costs relating to manufacturing depreciation. Since MAN Roland produces its own component parts, a significant amount of the depreciation expense reflected in its financial statements relates to machinery and equipment used to manufacture these component parts. Therefore, we believe the COM in the petition double counts depreciation expense for component parts. We could not identify the amount of depreciation expense directly related to manufacturing the component parts. In order to avoid overstating costs, we

excluded all reported depreciation expense from the CV calculation.

Although petitioner had obtained a copy of MAN Roland's 1994 financial statements, it was unable to use the information presented to compute SGA expense for CV due to the format of the company's income statement. Moreover, the petitioner was unable to obtain from other sources the German market SGA data for the printing machinery and equipment industry, and documented its unsuccessful attempts to collect this information. As an alternative source for SGA expense, the petitioner calculated an SGA rate specific to large newspaper printing presses based on its own experience. The Department normally relies on home market specific information where reasonably available. In this instance, however, having made a reasonable effort to collect this data, the petitioner was unable to do so. We therefore have relied on the petitioner's own SGA information for CV.

The petitioner calculated interest expense based on MAN Roland's 1994 unconsolidated financial statements rather than using the 1994 MAN consolidated financial statements. The Department normally computes interest expense on a consolidated basis. MAN's 1994 consolidated financial statements indicate that short-term interest income exceeded interest expense. Therefore, we included no interest expense in CV. For U.S. packing, the petitioner calculated MAN Roland's cost based on its own experience.

The petitioner contends that MAN Roland's lack of profit, as reported in its audited financial statements, does not constitute a reasonable profit under the statute. Thus, the petitioner calculated profit based on the financial results for six other MAN companies which manufactured marine engines, automotive parts, space systems, and heavy industrial equipment. Section 773(e)(2) of the Act provides that CV include a reasonable amount for profit earned by the exporter or producer of the merchandise under investigation. The Department therefore recalculated CV using a profit figure of zero based on the results shown in MAN Roland's 1994 financial statements.

Based on the Department's modifications to the petitioner's methodology, the estimated dumping margin is 46.40 percent.

Japan

The petitioner based gross export price on detailed pricing information on two sales to customers in the United States obtained by the bidding process for newspaper press sales. The petitioner deducted from delivered

prices installations costs, training expenses and movement charges including foreign inland freight, foreign port and loading charges, ocean freight, marine insurance, U.S. duty, U.S. wharfage charges, U.S. port and unloading fees and U.S. inland freight. For one sale, the petitioner deducted the cost of a certain proprietary allowance; from the second sale, the petitioner deducted the expenses incurred for advance press and support services.

According to the petitioner, the Japanese home market is viable. However, contending that large newspaper printing presses sold in Japan differ substantially from those sold in the United States, the petitioner was unable to provide information for sales of identical or similar large newspaper printing presses sold in both markets. Accordingly, the petitioner based normal value on CV.

CV includes the COM, SGA, interest expense, U.S. packing, and profit. For COM, the petitioner estimated material requirements and overhead costs for the two reported Japanese sales based on its own bid proposal cost of production model and adjusted for known differences between costs incurred in producing the large newspaper printing presses in the United States and the production costs incurred for the merchandise in Japan.

For one sale, the petitioner used SGA expenses from its own U.S. Graphic Systems division expense because the CV was based primarily on U.S. production costs. For the other sale, the petitioner used the SGA expenses incurred by its Japanese subsidiary because the CV was based primarily on the subsidiary's costs. The Department prefers to calculate SGA using home market and industry specific information where reasonably available. Therefore, we used the SGA expenses from petitioner's Japanese subsidiary for both Japanese sales because this represented costs specific to the newspaper press industry in Japan.

The petitioner calculated interest expense and profit for both Japanese sales based on Mitsubishi Heavy Industries' 1993 and 1994 consolidated financial statements, respectively. Packing costs were based on its own U.S. Graphic Systems division's experience.

Based on the Department's modifications to the petitioner's methodology, the estimated dumping margins range from 78.22 to 179.55 percent.

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that

imports of large newspaper printing presses are being, or are likely to be, sold at less than fair value. If it becomes necessary at a later date to consider these petitions as a source of facts available under section 776 of the Act, we may review further the calculations.

Initiation of Investigations

We have examined the petitions on large newspaper printing presses from Germany and Japan and have found that they meet the requirements of section 732 of the Act, including the requirements concerning allegations of the material injury or threat of material injury to the domestic producers of a domestic like product by reason of the complained-of imports, allegedly sold at less than fair value. Therefore, pursuant to section 732(c)(2) of the Act, we are initiating antidumping duty investigations to determine whether imports of large newspaper printing presses from Germany and Japan are being, or are likely to be, sold in the United States at less than fair value. Unless extended, we will make our preliminary determinations by December 7, 1995.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act, copies of the public versions of the petitions have been provided to the representatives of the governments of Germany and Japan. We will attempt to provide copies of the public versions of the petitions to all the exporters named in the petitions.

International Trade Commission (ITC) Notification

We have notified the ITC of our initiations, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will determine by August 14, 1995, whether there is a reasonable indication that imports of large newspaper printing presses from Germany and Japan are materially injuring, or threaten material injury to, a U.S. industry. A negative ITC determination in either investigation will result in that investigation being terminated; otherwise, the investigations will proceed according to statutory and regulatory time limits.

Dated: July 20, 1995.

Paul L. Joffe,

Acting Assistant Secretary for Import Administration.

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[A-588-032]

Large Power Transformers From Japan; Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results of antidumping duty administrative review.

SUMMARY: In response to a request by the petitioner, the Department of Commerce (the Department) is conducting an administrative review of the antidumping finding on large power transformers from Japan. The review covers exports of one manufacturer of this merchandise to the United States. The review period is June 1, 1993, through May 31, 1994. The review indicates that no shipments of the subject merchandise took place during the review period. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: July 27, 1995.

FOR FURTHER INFORMATION CONTACT: Andrea Chu, Kris Campbell, or Michael R. Rill, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-4733.

SUPPLEMENTARY INFORMATION:

Background

On June 7, 1994, the Department published in the **Federal Register** a notice of "Opportunity to Request Administrative Review" (59 FR 29411) of the antidumping finding on large power transformers from Japan. In accordance with 19 CFR 353.22(a), the petitioner requested that the Department conduct an administrative review. We initiated the review on July 15, 1994 (59 FR 36160), covering the period June 1, 1993, through May 31, 1994. The Department is conducting this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act).

Scope of the Review

Imports covered by the review are shipments of large power transformers; that is, all types of transformers rated 10,000 kVA (kilovolt-amperes) or above, by whatever name designated, used in the generation, transmission, distribution, and utilization of electric power. The term "transformers" includes, but is not limited to, shunt

reactors, autotransformers, rectifier transformers, and power rectifier transformers.

Not included are combination units, commonly known as rectiformers, if the entire integrated assembly is imported in the same shipment and entered on the same entry and the assembly has been ordered and invoiced as a unit, without a separate price for the transformer portion of the assembly.

This merchandise is currently classifiable under the Harmonized Tariff Schedule (HTS) item numbers 8504.22.00, 8504.23.00, 8504.34.33, 8504.40.00, and 8504.50.00. The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

The review covers one manufacturer/exporter of transformers, Fuji Electric Co., Ltd. (Fuji). The review period is June 1, 1993, through May 31, 1994.

Preliminary Results of Review

Fuji reported that it made no shipments to the U.S. during the period of review. The Department confirmed with the U.S. Customs Service that no subject merchandise exported by Fuji was entered into the United States during the period of review. Therefore, we preliminarily determine that there were no shipments subject to this review and that Fuji's cash deposit rate will continue to be 5.90 percent, which is the rate established in the final results of the last relevant review period in which Fuji made shipments.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(1) of the Tariff Act: (1) For the reviewed company and 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; (2) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value 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 (3) the cash deposit rate for all other manufacturers or exporters is 10.63 percent (see **Federal Register** on August 23, 1993 (59 FR 44498)). These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.