Dated: September 25, 1996.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 96–25114 Filed 9–30–96; 8:45 am]

BILLING CODE 3510–DS–P

[A–570–803]

Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, From the People's Republic of China; Final Results of Antidumping Administrative Review

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

ACTION: Notice of final results of the antidumping duty administrative review of heavy forged hand tools, finished or unfinished, with or without handles, from the People's Republic of China.

SUMMARY: On April 5, 1996, the Department of Commerce (the Department) published in the Federal Register the preliminary results of its administrative review of the antidumping duty orders on heavy forged hand tools, finished or unfinished, with or without handles (HFHTs) from the People's Republic of China (PRC) (61 FR 15218). This review covers the period February 1, 1994 through January 31, 1995. We gave interested parties an opportunity to comment on our preliminary results. Based upon our analysis of the comments received, we have changed the results from those presented in the preliminary results of review.

EFFECTIVE DATE: October 1, 1996.

FOR FURTHER INFORMATION CONTACT: Rebecca Trainor or Maureen Flannery, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482–4733.

Applicable Statute and Regulations: Unless otherwise stated, 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). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, as amended by the interim regulations published in the Federal Register on May 11, 1995 (60 FR 25130).

SUPPLEMENTARY INFORMATION:

Background

On February 2, 1995, the Department published in the Federal Register (60 FR 6524) a notice of opportunity to request administrative reviews of these antidumping duty orders. On February 27, 1995, in accordance with 19 CFR 353.22(a), two resellers of the subject merchandise to the United States, Fujian Machinery & Equipment Import & Export Corporation (FMEC) and Shandong Machinery Import & Export Corporation (SMC), requested that we conduct administrative reviews of their exports of subject merchandise to the United States. On February 28, 1995, the petitioner, Woodings-Verona Tool Works, Inc., requested that we conduct administrative reviews of SMC, FMEC, Henan Machinery Import & Export Company (Henan), and Tianjin Machinery Import & Export Company (Tianjin). We published the notice of initiation of these antidumping duty administrative reviews on March 15, 1995 (60 FR 13955). We received no questionnaire responses from either Henan or Tianjin. Therefore, we have based our analysis of these two companies on facts otherwise available (FA). On April 5, 1996, the Department published in the Federal Register the preliminary results of the administrative reviews of the antidumping duty orders on HFHTs from the PRC (61 FR 15218). The Department is conducting these administrative reviews in accordance with section 751 of the Act.

Scope of Review

Imports covered by these reviews are shipments of HFHTs from the PRC comprising the following classes or kinds of merchandise: (1) hammers and sledges with heads over 1.5 kg (3.33 pounds) (hammers/sledges); (2) bars over 18 inches in length, track tools and wedges (bars and wedges); (3) picks/mattocks; and (4) axes/adzes.

HFHTs include heads for drilling, hammers, sledges, axes, mauls, picks, and mattocks, which may or may not be painted, which may or may not be finished, or which may or may not be imported with handles; assorted bar products and track tools including wrecking bars, digging bars and tampers; and steel woodsplitting wedges. HFHTs are manufactured through a hot forge operation in which steel is sheared to required length, heated to forging temperature, and formed to final shape on forging equipment using dies specific to the desired product shape and size. Depending on the product, finishing operations may include shot-blasting, grinding, polishing and painting, and the insertion of handles for handled products. HFHTs are currently provided for under the following Harmonized Tariff System (HTS) subheadings: 8205.20.60, 8205.59.30, 8201.30.00, and 8201.40.60. Specifically excluded are hammers and sledges with heads 1.5 kg (3.33 pounds) in weight and under, hoes and rakes, and bars 18 inches in length and under. This review covers four exporters of HFHTs from the PRC. The review period is February 1, 1994 through January 31, 1995.

Factor Valuations: Changes From the Preliminary Results

In the preliminary results, we valued factors of production based on the year in which production occurred. We have not used that methodology for the final results because it is inconsistent with our standard practice. Our standard factors methodology, like our standard constructed value methodology, is intended to reflect value during the period of investigation (POI) or the POR. Thus, these methodologies rely on costs during the POI or the POR. Therefore, for the final results, we have valued the factors of production using surrogate values for the review period.

Analysis of Comments Received

We gave interested parties an opportunity to comment on the preliminary results. We received case briefs and rebuttal briefs from petitioner and FMEC, SMC, and Tianjin.

Comment 1: Petitioner and respondents state that the Department made errors in the inflation calculations for its factors of production analysis.

Department's Position: We agree that we made a clerical error in calculating the wholesale price index (WPI) inflator for the preliminary results, and have made the necessary corrections for the final results.

Comment 2: Respondents claim that the Department should not use the WPI to derive 1993 and 1994 values for steel, iron straps and wood. Respondents argue that the record shows no indication that steel prices are tied to any inflation index, and that the Department's other 1994 factor values show that Indian import prices have actually fallen in comparison with 1993 or even 1992 Indian import prices.

Further, respondents state, there is no ''secondary information'' on the record to support the use of the WPI. The respondents claim that, if the Department relies on the 1993 Indian import statistics for iron straps and wood, those values should be adjusted by the average change in values from

1993 to 1994 for the other factor values, rather than by the WPI.

Petitioner argues that the WPI is the most appropriate inflation measure because it reflects prices paid for inputs at the wholesale level, where producers purchase them. Further, petitioner claims, it is widely recognized that steel prices move with overall economic activity; there is no evidence that the price of steel, iron straps or wood move in step with the other factor inputs. Thus, petitioner argues, the Department should not make the requested adjustment to its preliminary results.

Department's Position: We disagree with respondents that steel factor values for periods prior to the review period should not be adjusted for inflation using the WPI. There is no record evidence to support respondents' argument that the WPI inflator is arbitrary when applied to steel. As we state in our factors analysis memo dated March 27, 1996, we judged the 1994 Indian import data for steel to be unreliable, because it was based on a very small quantity of steel imports; we also determined that the 1993 Indian import data for steel was aberrational. Therefore, absent contemporaneous data and a more product-specific inflation index, we have adjusted steel factor values from periods prior to the period of review (POR) using the WPI, as we have done in prior reviews of this order, and in numerous other non-market economy (NME) cases. *See, e.g., Bicycles From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 60 FR 56567 (November 9, 1995) (*Bicycles*), and *Certain Helical Spring Lock Washers From the People's Republic of China: Final Results of Antidumping Administrative Review*, 61 FR 41994 (August 13, 1996) (*Lock Washers*).

With respect to wood and iron straps, we have obtained surrogate values corresponding with the POR for the final results. Therefore, respondents' argument with respect to these inputs is moot.

Comment 3: Petitioner argues that the Department should use the price quotations for special high quality steel bars that petitioner obtained from three Indian steel producers and submitted for the record, instead of the inflated 1992 Indian import statistics data which the Department used in the preliminary results. Petitioner claims that the data the Department relied upon are too broad, including steel that does not meet the exacting requirements of HFHT production. As a result, the average import values the Department used are too low, and do not accurately reflect the value of the steel used in making hand tools. Petitioner points out that the Department has used alternatives such as specific price quotations in situations where import statistics were found to be distortive or aberrational. Petitioner cites, for example, the *Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the PRC*, 60 FR 22544, 22548 (May 8, 1995) (*Furfuryl Alcohol*) and the *Final Determination of Sales at Less Than Fair Value: Coumarin from the PRC*, 59 FR 66895 (December 28, 1994) (*Coumarin*). Petitioner further argues that, in the less-than-fair-value (LTFV) investigation, the Department recognized that broad basket categories comprising many different types and sizes of steel, such as proposed by respondents, do not accurately reflect the prices of the specific types of steel used to manufacture HFHTs. *Final Determination of Sales at Less than Fair Value: Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, From the PRC*, 56 FR 241 (Jan. 3, 1991) (*Final LTFV*).

Respondents contend that the Department should use the information contained in *Statistics For Iron & Steel Industry in India*, published in 1994 by the Steel Authority of India Limited (SAIL). Respondents argue that this source provides data that are contemporaneous with the review period, are specific to the thicknesses of steel bars used to make the subject merchandise, and have been used by the Department in other antidumping proceedings. *See Drawer Slides from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 60 FR 54472 (October 24, 1995) (*Drawer Slides*) and *Bicycles*. Further, respondents contend, the SAIL data reflect prices that are comparable to the prices the Chinese factories actually paid for steel.

Respondents argue that the price quotations supplied by petitioner are not contemporaneous with the POR, and do not represent the type of steel used in the Chinese manufacture of HFHTs. Respondents claim that the specifications offered for the steel quotations are for a higher quality steel than the Chinese HFHT factories actually use. Respondents further contend that the price quotations are aberrational in terms of ordinary steels, and are similar to the 1993 Indian import data that the Department judged to be aberrational. *See* Memorandum to the File for the 1993–1994 review, dated March 27, 1996.

Respondents argue that petitioner's price quotations are not publicly available published data. Respondents assert that the Department should use such unpublished, non-publicly available information submitted by an interested party only as a last resort.

Petitioner disputes respondents' contention that the SAIL data is representative of the type of steel used to make hand tools, stating that it covers steel bars used in non-critical structural work instead of the high quality bars used in HFHTs. Further, petitioner asserts, respondents' data appears to cover steel with a wide range of carbon content, which the Department found to be unacceptable in the LTFV investigation.

Department's Position: We disagree with petitioner that we should use its submitted price quotations, and with respondents that we should use the SAIL data instead of the Indian import statistics we used in the preliminary results. Our objective is to value the surrogate steel at prices which most closely reflect the type of steel used by the PRC producer. (Here, we have matched respondents' hot rolled C45 steel bars with category number 7214.5 in the Indian import statistics, forged bars and rods containing between 25 and 60 percent carbon.) We have found that the chemical composition of the steel used is a more important determinant of its end use than is size. *See, e.g. Lock Washers* at 41997.

While the SAIL data submitted by respondents in this case is more size-specific than the Indian import statistics we used in the preliminary results, it is less specific as to grade and chemical composition. The SAIL data presents average values for steel of unknown grade and chemical composition. Also, in the final determination of these orders, we rejected respondent's proposal of applying an average rate comprising many different types and sizes of steel, because we determined that using average values results in a less accurate calculation. *Final LTFV* at 245.

Our use of SAIL data in *Drawer Slides* and *Bicycles* was based on our finding that, although less contemporaneous than the other data on the record, the SAIL data provided prices for steel that most closely matched the specifications of the steel used in those particular cases. *See Drawer Slides* at 54475, and *Bicycles* at 56573. However, in this case, we find that the Indian import data more closely matches the steel used to produce hand tools.

We rejected petitioner's submitted steel price quotations for similar reasons. The price quotations are based on a higher quality steel than what is actually used by the respondents in hand tool production. Therefore, consistent with our practice, we find it

more appropriate to use the Indian import data. Although we used price quotations in *Furfuryl Alcohol* and *Coumarin,* in those cases we found the price quotations to be superior to the other available data.

Therefore, for the final results, we continue to use Indian import statistics to value steel, because it is the most specific to the grade and chemical composition of the type of steel used by respondents in hand tool production.

Comment 4: Petitioner states that the Department should use factor inputs to value wooden pallets, as the Department did in the previous review. Although the necessary information to do this is not on the record of this review, petitioner suggests that the Department value the pallets using factor inputs derived from data submitted on the public record in the preceding reviews, adjusted for inflation. If the Department judges this approach to be inappropriate for this review, petitioner requests that the Department collect the necessary information on pallet inputs in all subsequent administrative reviews of this order.

Respondents argue that, unlike in the prior review, the record in this review is clear that the factories buy wooden pallets. Respondents assert that there is no established Departmental practice or legal authority for applying a factors methodology to all packing materials. Respondents assert that the Department must consider the evidence on the record that the factories do not make pallets and reject petitioner's argument.

Department's Position: We agree with respondents. Unlike in the prior review, the record of this review indicates that the Chinese factories do not construct wooden packing pallets themselves, but purchase them already constructed. Thus, using surrogate values for complete pallets results in a more accurate calculation than valuing the wood and nails separately. Moreover, the statute and the Department's regulations do not require the Department to construct a value for packing materials. For these reasons, we have continued to value the cost of a complete pallet for the final results.

Comment 5: Respondents object to the Department's use of the Economist Intelligence Unit's *Investing, Licensing & Trading Conditions Abroad* (*IL&T*) data as the surrogate labor rate source, stating that this source provides estimates based not on actual wage rates, but on rates stipulated in various Indian laws. Respondents point out that the Department rejected this data source in *Bicycles.*

Instead, respondents argue that the Department should use the data contained in the publication, *Foreign Labor Trends—India* (*FLTI*), prepared by the American Embassy in New Delhi, which provides 1992 Indian wage rates broken down into skilled, semi-skilled and unskilled categories. As an alternative, respondents suggest that the Department use the *Yearbook of Labor Statistics* (*YLS*), which the Department recently used in Bicycles. Respondents state that, should the Department use this source, SIC code 381 includes the manufacture of hand tools. Since the *YLS* does not differentiate among skill levels, respondents suggest a methodology for using the *IL&T* data as a ''scale'' to derive skill levels from the *YLS* data.

Respondents further comment that their suggested wage rates are comparable to other surrogate rates used by the Department. Respondents specifically point to the Indonesian wage rates the Department used in *Disposable Pocket Lighters from the People's Republic of China: Final Determination of Sales at Less Than Fair Value* (*Lighters*), 60 FR 22359 (May 5, 1995) and *Furfuryl Alcohol.* Petitioner supports the Department's continued use of the *IL&T* for valuing labor and challenges respondents' argument in favor of the *YLS* data. Petitioner argues that respondents have made no showing why SIC code 381 is the appropriate code for the hand tool industry, and points out that, since YLS wage rates vary greatly among SIC codes, choosing the correct code is essential. Petitioner cautions that the Department should not arbitrarily use a data source it has rejected as a ratio to apply to a different information source, as respondents suggest.

Petitioner states that the fact that the alternative wage rates suggested by respondents may be comparable to Indonesian wage rates used by the Department in two other recent NME cases is irrelevant, as the Department has selected India as the surrogate country for this review.

Department's Position: We agree with respondents in part. As we stated in *Bicycles,* the *IL&T,* which we used for the preliminary results, provides estimates based not on actual wage rates, but on rates stipulated in various Indian laws. *See e.g.,* Memorandum to Barbara R. Stafford, Factors Valuation Memo, Nov. 1, 1995, at 20 (public memo on file in B–099 of the Commerce Department). Therefore, we have not used *IL&T* data for the final results. We recalculated labor rates, using data from the *YLS.* Unlike the *FLTI* data that respondents prefer, the *YLS* provides wage rates on an industry-specific basis. We used the daily wage rate specified for SIC code 381, ''manufacture of fabricated metal products, except machinery and equipment,'' because the description of the various industries this category covers was the best match for the hand tool industry. The *YLS* does not provide wage rates for different skill levels; we therefore applied the same rate to all three skill levels reported by respondents. Having found the *IL&T* data to be an inappropriate source for wage rates, it would be inappropriate to use the *IL&T* data to differentiate among skill levels, as respondent suggests. Because the *YLS* provides wage rates from 1990, we inflated the data for the review period, using the consumer price index, published in the International Monetary Fund's *International Financial Statistics.*

We disagree with respondents that a comparison of their suggested wage rates to Indonesian wage rates used by the Department in *Lighters and Furfuryl Alcohol* is relevant, since those cases entail different industries and a different surrogate country than does this review.

Comment 6: Respondents state that, consistent with past practice, the Department should use the actual prices Chinese companies paid in convertible currencies to market-economy suppliers. Respondents cite *Oscillating Ceiling Fans from the PRC,* 56 FR 55271 (October 25, 1991) (*Fans*), as an example of this practice. Respondents claim that the HFHTs case is distinct from *Coumarin,* in which the Department qualified this approach where inputs were ''purchased from market-economy countries by trading companies for use by their suppliers.'' Respondents state that here, some steel inputs were imported by the same Chinese company which sold the subject merchandise to the United States, virtually nullifying the possibility of price manipulation. Thus, respondents conclude, using these prices is the most accurate way to value the inputs.

Petitioner points out that in the third review of HFHTs, the Department considered and rejected Chinese import prices for steel, in favor of surrogate country prices. Petitioner asserts that the Department may use actual purchase prices in limited circumstances, if the NME manufacturer purchases the inputs from a market economy supplier and pays in convertible currency. These circumstances are not met in this review, as the inputs were purchased from a market economy country by a PRC trading company, which then transferred the inputs to the PRC manufacturer.

Department's Position: We agree with the petitioner. It is the Department's

normal practice in NME cases to value the factors of production using surrogate country input prices. The Department normally allows for the valuation of inputs based on the actual purchase price of the input only when the NME manufacturer purchases the inputs from a market economy supplier and pays in a convertible currency. *See, e.g., Final Determination of Sales at Less Than Fair Value: Saccharin from the People's Republic of China,* 59 FR 58818 (November 15, 1994) (*Saccharin*), and *Fans.*

As we explained in *Coumarin*, this rule does not extend to inputs purchased by a trading company who then resells the input to the manufacturer. *See Coumarin* at 66900. The record of this review demonstrates that respondents, not their supplier factories, imported steel from a market economy source. Respondents then sold the steel to the factories, who paid them in renminbi. Thus, the criteria established in *Fans* and *Saccharin* for use of actual import prices to value steel are not satisfied in this case.

Moreover, the respondents' claim with regard to nullification of price manipulation is irrelevant. The rationale behind use of actual import prices of the NME producer is that the producer's import prices more accurately reflect its costs of the particular input. *Fans* at 55275. Respondents misconstrue this exception because they fail to recognize that the focus of inquiry is the NME producer's costs, not the costs of the NME trading company. The market-economy price paid by the trading company does not represent the cost to the manufacturer, and the trading company's price to the manufacturer is not a market-economy price. Therefore, for these final results, we have used surrogate values to value all steel inputs used in the production of HFHTs.

Comment 7: The respondents assert that the Department's use of a price reported in a December 1989 cable from the U.S. Embassy in India, adjusted by the WPI, to value inland rail freight is less contemporaneous than other rail freight data on the record, and is unsupported by secondary data. Respondents argue that the information in *Doing Business in India,* published by the Ministry of External Affairs of the Government of India, is more current, is official government data, and provides specific rates on a per-kilometer basis.

Petitioner objects to respondents' suggested alternative rail freight rate. Petitioner points out that the data respondents submitted consists of a single, average rate. This rate would distort freight cost calculations by overstating the per-kilometer costs of long trips and understating the per-kilometer costs of short trips. Petitioner argues that because the rate is only one digit, it is inherently imprecise. Further, its source is unknown. When selecting surrogate data, petitioner asserts, the primary focus is on the accuracy and specificity of the data; the fact that respondents' data is slightly more current is not dispositive. Petitioner states that the Embassy cable data provides rates for varying distances, unlike the respondents' data, which provides one rate for all distances.

Department's Position: We agree with petitioner. The 1989 Embassy cable data we used to value inland rail freight is less contemporaneous than data provided by respondents by one year, but it is more precise than the average freight rate contained in respondents' submission, because it provides freight rates for various distances. Therefore, we continued to use this data for the final results.

Comment 8: Respondents object to the Department's use of a selling, general and administrative (SG&A) expenses figure of 17.99 percent, derived from the April 1995 Reserve Bank of India (RBI) Bulletin, because (1) it is based on information that does not apply to the POR; (2) unlike data used in *Bicycles* and *Lock Washers,* it reflects too broad an industry spectrum; (3) the figure is aberrational, since during previous reviews, the figure was considerably smaller; and (4) under similar circumstances, such as in *Bicycles,* the Department rejected similarly aberrational data. Instead, respondents propose using the figure of 10 percent that the Department used in its preliminary results for 1993 production.

Petitioner supports the Department's use of data from the RBI Bulletin for calculating SG&A expenses. Petitioner argues that respondents' reliance on *Bicycles* in this regard is misplaced because, in that case, the Department had industry-specific information on SG&A expenses in the surrogate country that were lower than those provided in the petition. Thus, the Department found the RBI figure to be uncorroborated, and of no probative value. Petitioner asserts that the Department has no such evidence in this case. Petitioner points out that the Department *did* use RBI data in *Lock Washers.*

Department's Position: We agree with petitioner. In *Bicycles,* we based SG&A on industry-specific information. In this review, we did not have SG&A data specific to the hand tool industry. The SG&A rate of 17.99 percent, which we used for both 1993 and 1994 production in the present review, was derived from 1992–1993 data, the most recent available data. (Our preliminary analysis memorandum, dated March 27, 1996, erroneously states that we used the 9.5 percent rate for 1993 production. We did not use this rate because it is derived from 1991–1992 data.)

Further, we do not consider this rate to be aberrational. The difference between the 17.99 percent rate used in this review, and the 9.5 percent rate used in the prior review, is the result of a change in the Department's methodology for calculating SG&A, rather than an indication of an aberration. The 17.99 percent figure includes amounts for interest and insurance that the 9.5 percent figure does not. *See Lock Washers* at 41999, in which we amended our preliminary results to include amounts for interest and insurance in SG&A. Therefore, we have not recalculated SG&A for the final results.

Comment 9: Tianjin argues that the Department exceeded its authority by applying to it a PRC-wide rate. Tianjin cites *UCF America Inc.* v. *United States,* Slip Op. 96–42 (CIT Feb. 27, 1996) (*UCF America*) and *Sigma Corp.* v. *United States,* 841 F. Supp. 1255, 1267 (CIT 1993) *(Sigma Corp.),* in which the Court expressed concern over the Department's NME policy, in support of its position.

Tianjin argues that, in *UCF America,* the Court's primary concerns were that the PRC-wide rate increases the complexity of administrative reviews and requires NME suppliers to participate, even if their presence in the proceedings is unnecessary. Tianjin concludes that this policy contravenes 19 U.S.C. section 1675, which was amended to ''limit the number of reviews in cases in which there is little or no interest, thus limiting the burden on petitioners and respondents, as well as the administering authority.'' *Id.* (quoting H.R. Conf. Rep. No. 1156, 98th Cong., 2d Sess. 181 (1984). Thus, by applying the PRC-wide rate to Tianjin, the Department exceeded the authority of the statute and ignored the express intent of Congress and of the Court of International Trade (CIT).

Petitioner points out that the issue of Tianjin's separateness was irrelevant in the Department's determination of Tianjin's dumping margin. The Department merely followed its policy of assessing uncooperative respondents the highest rate from any prior segment of the proceedings for each imported like product. Petitioner asserts, moreover, that the Department would be justified in assigning to Tianjin a PRC-wide rate under *UCF America.* Petitioner points out that Tianjin failed

to establish its independence from the PRC government in the LTFV investigation. In this review, Tianjin forfeited its opportunity to establish separateness by not responding to the Department's questionnaire.

Petitioner argues that the cases Tianjin cited support the fact that Tianjin is liable for the PRC-wide rate. In *Sigma Corp.*, petitioner states, the CIT rejected the use of a PRC-wide rate because the Department unexpectedly switched from company-specific to a PRC-wide rate for all respondents without giving them a chance to prove their independence. Petitioner asserts that the *UCF America* decision specifically endorsed the earlier decision in *Tianjin Machinery Import & Export Corp.*, 806 F. Supp. at 1013–15, that Tianjin should receive a PRC-wide dumping margin.

Department's Position: We agree with petitioner. Regardless of the Department's views on the concerns expressed by the CIT in *UCF America* regarding the ''all others'' rates, those concerns are not implicated in this case. The ''all others'' category is reserved for companies that have never been investigated or reviewed. Petitioner requested a review of Tianjin and Henan, and they refused to respond to the Department's request for information. Therefore, we conducted the review of these companies on the basis of adverse facts available, pursuant to section 776(b) of the Act. Under our NME policy, Tianjin, Henan and all other exporters that have not established that they are entitled to a separate rate are considered to be part of a single, government-controlled enterprise (the NME entity). Because Tianjin and Henan failed to cooperate, and because they are considered to be part of the NME entity, the entire NME entity has received a rate based on adverse facts available. *See Preliminary Results* at 15220.

Comment 10: Respondents argue that the 1993 values for pallets, PVC bags and SG&A should be changed to reflect the 1993 values the Department used for the final results in the previous (1993–1994) review. Respondents also claim that the Department should adjust 1994 values to eliminate bias. They argue that, while the POR covers imports during February 1994 through January 1995 and production beginning in January 1994, the Indian import data the Department used includes data for April 1994 through January 1995. Thus, respondents claim, the Department should adjust all values, except for those for HFHTs produced in 1993, to coincide with the 1994 calendar year.

Petitioner argues that respondent has offered no citation to any evidence in the record to support its contention that 1993 values for pallets and PVC bags should be changed. Petitioner asserts that, in the prior review, the Department considered and rejected respondents' argument that Indian import statistics for 1994 should be adjusted to reflect the POR, stating that the Indian import data was both complete and contemporaneous.

Department's Position: As we describe above, we have changed our factor valuation methodology for the final results to correspond with the POR. Therefore, respondents' arguments with respect to 1993 factor values is moot.

With respect to 1994 surrogate information, data is available for the January through March 1994 period, and we have used that data for our final results. Therefore, respondents argument with respect to deflating the data is moot.

Final Results of Review

As a result of our review, we have determined that the following margins exist:

Manufacturer/exporter	Margin (percent)
Fujian Machinery & Equipment Import & Export Corp:	
Axes/Adzes	8.74
Bars/Wedges	13.20
Hammers/Sledges	7.44
Picks/Mattocks	83.47
Shandong Machinery Import & Export Corp:	
Bars/Wedges	42.97
Hammers/Sledges	14.70
Picks/Mattocks	70.31
PRC-Wide Rates:	
Axes/Adzes	21.92
Bars/Wedges	66.32
Hammers/Sledges	44.41
Picks/Mattocks	108.20

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

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of reviews for all shipments of HFHTs from the PRC 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 rates for the reviewed companies named above which have separate rates (FMEC and SMC) will be the rates for those firms as stated above for the classes or kinds of merchandise listed above; (2) for axes/adzes from SMC, which are not covered by this review, the cash deposit rate will be the rate established in the most recent review of that class or kind of merchandise in which SMC received a separate rate—that is, the February 1, 1992 through January 31, 1993 review; (3) for all other PRC exporters, the cash deposit rates will be the PRC-wide rates established in these final results of this administrative review; and (4) the cash deposit rates for non-PRC exporters of the subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. We determine the PRC-wide rates to be: 44.41 percent for hammers/sledges, 66.32 percent for bars/wedges, 108.20 percent for picks/mattocks, and 21.92 percent for axes/adzes. These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under section 353.26 of the Department's regulations 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 notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with section 353.34(d) of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

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

Dated: September 23, 1996.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 96–25119 Filed 9–30–96; 8:45 am]

BILLING CODE 3510–DS–P