Manufacturer/exporter	Period	Margin (percent)
Wolverine Tube (Canada), Inc.	01/01/95–12/31/95	0.20

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the date of publication, or the first workday thereafter. Case briefs and/or written comments from interested parties may be submitted not later than 30 days after the date of publication. Rebuttal briefs and rebuttals to written comments, limited to issues raised in the case briefs and comments, may be filed not later than 37 days after the date of publication. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. The Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any such written comments or at a hearing, within 120 days of publication of these preliminary results.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between USP and NV may vary from the percentage stated above. The Department will issue appraisement instructions directly to the Customs Service. The final results of this review shall be the basis for assessment of antidumping duties, if any, on entries of merchandise covered by the determination and for future deposits of estimated duties, if any.

Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of BSS from Canada entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Tariff Act: (1) The cash deposit rate for Wolverine will be the rate established in the final results of this administrative review (except that if the weighted-average margin is less than 0.5 percent, i.e., is de minimis, no cash deposit will be required); (2) for merchandise exported by manufacturers or exporters not covered in this review, but covered in the original less-than-fair-value (LTFV) investigation or a previous review, the cash deposit will continue to be the most recent rate published in the final determination or final results for which the manufacturer or exporter received a company-specific rate; (3) if the exporter is not a firm covered in this review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) for all other producers and/or exporters of this merchandise, the cash deposit rate will be 8.10 percent, the rate established in the LTFV investigation, 52 FR 1217 (January 12, 1987).

This notice serves as a preliminary reminder to parties subject to administrative protective orders (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 sanctionable violation.

This notice also serves as a preliminary 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 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 administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: December 2, 1996.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 96–31104 Filed 12–5–96; 8:45 am]

BILLING CODE 3510–DS–P

International Trade Administration

[C–357–004]

Certain Carbon Steel Wire Rod From Argentina: Determination Not To Terminate Suspended Investigation

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

ACTION: Notice of determination not to terminate suspended investigation.

SUMMARY: The Department of Commerce (the Department) is notifying the public of its determination not to terminate the suspended countervailing duty investigation on certain carbon steel wire rod from Argentina.

EFFECTIVE DATE: December 6, 1996.

FOR FURTHER INFORMATION CONTACT: Robert Bolling or Jean Kemp, AD/CVD Enforcement, Group III, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230; telephone: (202) 482–3793.

SUPPLEMENTARY INFORMATION:

Background

On September 5, 1996, the Department published in the Federal Register (61 FR 46783) its third notice of intent to terminate the suspended countervailing duty investigation on certain carbon steel wire rod from Argentina (47 FR 42393, September 27, 1982). The second notice of intent to terminate was published in August 1990, at which time the Department received an objection to termination from the petitioners and one interested party. In addition, we received a request for an administrative review and conducted an administrative review (Final Results of Administrative Review, 56 FR 40309, August 14, 1991).

The Department will terminate a suspended investigation if the Secretary concludes that the agreement is no longer of interest to interested parties. (19 CFR 355.25(d)(4)) On September 26 and 30, 1996, two petitioners, Atlantic Steel Industries, Inc. and North Star Steel Texas, Inc., objected to the Department's third notice of intent to terminate this suspended investigation. Therefore, we no longer intend to terminate the suspended investigation. We did not, however, receive a request for an administrative review at that time.

This notice is published in accordance with § 355.25(d)(4) of the Commerce Department's regulations. 19 CFR 355.25(d)(4).

Dated: November 26, 1996.

Joseph A. Spetrini,

Deputy Assistant Secretary, Enforcement Group III.

[FR Doc. 96–31105 Filed 12–5–96; 8:45 am]

BILLING CODE 3510–DS–P

[C–533–063]

Certain Iron-Metal Castings From India: Preliminary Results of Countervailing Duty Administrative Review

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

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

SUMMARY: The Department of Commerce (''the Department'') is conducting an administrative review of the countervailing duty order on certain iron-metal castings from India. For information on the net subsidy for each reviewed company, as well as for all non-reviewed companies, please see the *Preliminary Results of Review* section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to assess countervailing duties as detailed in the *Preliminary Results of Review* section of this notice. Interested parties are invited to comment on these preliminary results. (See Public Comment section of this notice.)

EFFECTIVE DATE: December 6, 1996.

FOR FURTHER INFORMATION CONTACT: Christopher Cassel or Lorenza Olivas, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On October 16, 1980, the Department published in the Federal Register (45 FR 50739) the countervailing duty order on certain iron-metal castings from India. On October 5,1995, the Department published a notice of ''Opportunity to Request Administrative Review'' (60 FR 52149) of this countervailing duty order. We received a timely request for review, and we initiated the review, covering the period January 1, 1994, through December 31, 1994, on November 16, 1995 (60 FR 57573).

In accordance with section 355.22(a) of the Department's *Interim Regulations*, this review covers only those producers or exporters of the subject merchandise for which a review was specifically requested. See Antidumping and Countervailing Duties: Interim Regulations: Request for Comments, 60 FR 25130 (May 11, 1995) (''*Interim Regulations*''). The producers/exporters of the subject merchandise for which the review was requested are:

Calcutta Ferrous	Kajaria Iron Casting Pvt. Ltd.	RSI Limited
Carnation Enterprise Pvt. Ltd	Kejriwal Iron & Steel Works	Seramapore Industries Pvt. Ltd
Commex Corporation	Nandikeshwari Iron Foundry Pvt. Ltd	Shree Rama Enterprise
Crescent Foundry Co. Pvt. Ltd	Orissa Metal Industries	Shree Uma Foundries
Delta Enterprises	R.B. Agarwalla & Company Pvt. Ltd	Siko Exports
Dinesh Brothers	R.B. Agarwalla & Co	Super Iron Foundry
Uma Iron & Steel	Victory Casting Ltd	

Delta Enterprises, Orissa Metal Industries, R.B. Agarwalla & Co. Pvt. Ltd., Shree Uma Foundries and Uma Iron & Steel did not export the subject merchandise during the period of review (''POR''). Therefore, these companies have not been assigned an individual company rate for this administrative review. This review covers nineteen programs.

On May 29, 1996, we extended the period for completion of the preliminary and final results pursuant to section 751(a)(3) of the Tariff Act of 1930, as amended. See Certain Iron-Metal Castings From India; Extension of Time Limit for Countervailing Duty Administrative Review, 61 FR 26879. As explained in the memoranda from the Assistant Secretary for Import Administration to the File, dated November 22, 1995, and January 11, 1996 (on file in the public file of the Central Records Unit, Room B–099 of the Department of Commerce), all deadlines were further extended to take into account the partial shutdowns of the Federal Government from November 15 through November 21, 1995, and December 15, 1995, through January 6, 1996. Therefore, the deadline for these preliminary results is no later than November 27, 1996, and the deadline for the final results of this review is no later than 180 days from the date on which these preliminary results are published in the Federal Register.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (''URAA'') effective January 1, 1995 (''the Act''). The Department is conducting this administrative review in accordance with section 751(a) of the Act. References to the Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments, 54 FR 23366 (May 31, 1989) (''*Proposed Regulations*''), are provided solely for further explanation of the Department's countervailing duty practice. 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 URAA. See Advance Notice of Proposed Rulemaking and Request for Public Comments, 50 FR 80 (January 3, 1995); Antidumping Duties; Countervailing Duties: Notice of Proposed Rulemaking and Request for Public Comments, 61 FR 7308 (February 27, 1996).

Scope of the Review

Imports covered by the administrative review are shipments of Indian manhole covers and frames, clean-out covers and frames, and catch basin grates and frames. These articles are commonly called municipal or public works castings and are used for access or drainage for public utility, water, and sanitary systems. During the review period, such merchandise was classifiable under the Harmonized Tariff Schedule (''HTS'') item numbers 7325.10.0010 and 7325.10.0050. The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Verification

As provided in section 782(i) of the Act, we verified information submitted by the Government of India and certain producers/exporters of the subject merchandise. We followed standard verification procedures, including meeting with government and company officials and examination of relevant accounting and financial records and other original source documents. Our verification results are outlined in the public versions of the verification reports, which are on file in the Central Records Unit (Room B–099 of the Main Commerce Building).

Analysis of Programs

I. Programs Conferring Subsidies

A. Programs Previously Determined To Confer Subsidies

1. Pre-Shipment Export Financing

The Reserve Bank of India (''RBI''), through commercial banks, provides pre-shipment financing, or ''packing credits,'' to exporters. Upon presentation of a confirmed export order or letter of credit, companies may

receive pre-shipment loans for working capital purposes, *i.e.*, for the purchase of raw materials and for packing, warehousing, and transporting of export merchandise. Exporters may also establish pre-shipment credit lines upon which they may draw as needed. Credit line limits are established by commercial banks, based upon the company's creditworthiness and past export performance. Companies that have pre-shipment credit lines typically pay interest on a quarterly basis on the outstanding balance of the account at the end of each period. In general, packing credits are granted for a period of up to 180 days.

Commercial banks extending export credit to Indian companies must, by law, charge interest on this credit at rates determined by the RBI. During the POR, the rate of interest charged on pre-shipment export loans was 13.0 percent. For packing credits not repaid within 180 days, banks could charge interest at 15.0 percent for the number of days the loan was overdue. Exporters lose the concessional interest rates if the loan is not repaid within 270 days. If that occurred, banks could charge interest at 15.0 percent plus two (2.0) percent penalty interest for the duration of the loan. From October 18, 1994, banks could charge commercial interest rates on pre-shipment loans not repaid within 270 days. These rates are based on the prime lending rate (''PLR''), and ranged from 15.0 percent to 22.0 percent, depending on a company's credit rating. The non-concessional interest rate for export financing is designated as ''export credit not otherwise specified'' and is published in the RBI's Annual Report. This rate has been synchronized with the normal lending rate as applicable to domestic financing in India. Interest charges under this program must be liquidated with export proceeds. If the interest is paid with sources other than foreign currency export proceeds, the interest element of the loan will not be treated as export credit, and will be charged at rates applicable to domestic credit.

The Department found this program to be an export subsidy, and thus countervailable, in prior administrative reviews of this order, because receipt of pre-shipment export financing was contingent upon export performance and the interest rates were preferential. See, e.g., Final Results of Countervailing Duty Administrative Review: Certain Iron-Metal Castings From India, 56 FR 41658 (August 22, 1991); Final Results of Countervailing Duty Administrative Review: Certain Iron-Metal Castings From India, 56 FR 52515 (October 21, 1991) (''1987 and 1988 Indian Castings Final Results''), and Certain Iron-Metal Castings From India; Final Results of Countervailing Duty Administrative Review, being simultaneously published with this notice (''1993 Indian Casings Final Results'').

In prior administrative reviews of this order, the Department used the small-scale industry (''SSI'') short-term interest rate published in the RBI's Annual Report as its benchmark to measure the benefit under the pre-shipment export financing scheme. See, e.g., 1988 Indian Castings Final Results, 56 FR 52515, and 1993 Indian Castings Final Results. However, during this administrative review we received allegations that castings exporters may benefit from programs administered by the Small Industries Development Bank of India (''SIDBI''). These allegations led us to reexamine the SSI interest rate. At verification, we learned that producers/exporters of the subject merchandise would not finance their domestic operations at the SSI interest rate. Therefore, we now determine that the SSI interest rate is no longer an appropriate ''comparable'' short-term benchmark, in accordance with section 771(5)(E)(ii) of the Act.

As we explained in our November 21, 1996, Decision Memorandum on Appropriate Benchmark for Preferential Short-Term Financing, we have determined that the appropriate comparable short-term benchmark is the ''Cash Credit'' interest rate reported by the Government of India (''GOI'') in its March 13, 1996, questionnaire response. According to GOI and Bank officials, the ''cash credit'' interest rate is for domestic working capital finance, comparable to pre- and post-shipment export working capital finance. See Verification of the Government of India Questionnaire Responses at 4–6 (November 19, 1996) (''GOI Verification Report'') (public version, on file in the public file of the Central Records Unit, Room B–099 of the Department of Commerce). During the POR, this rate was 16.5 percent. We compared this benchmark to the interest rate charged on pre-shipment rupee loans and found that for loans granted under this program, the interest rate charged was lower than the ''cash credit'' benchmark. Accordingly, this program continues to be countervailable because the interest rate on these loans is less than what a company would have to pay on a comparable short-term loan. See section 771(5)(E)(ii) of the Act.

Eleven of the fifteen respondent companies used pre-shipment export loans for shipments of subject castings to the United States during the POR. To calculate the benefit from the pre-shipment loans to these eleven companies, we compared the actual interest paid on these loans with the amount of interest that would have been paid using the benchmark interest rate of 16.5 percent. Where the benchmark rate exceeded the program rate, the difference between those amounts is the benefit. If a company was able to segregate pre-shipment financing applicable to subject merchandise exported to the United States, we divided the benefit derived from only those loans by total exports of subject merchandise to the United States. If a firm was unable to segregate pre-shipment financing, we divided the benefit from all pre-shipment loans by total exports. On this basis, we preliminarily determine the net subsidy from this program for the producers/exporters of the subject merchandise to be as follows:

Net subsidies—producer/exporter	Net subsidy rate (percent)
Calcutta Ferrous	0.12
Carnation Enterprise Pvt. Ltd	0.24
Commex Corporation	0.03
Crescent Foundry Co. Pvt. Ltd	0.04
Dinesh Brothers	0.57
Kajaria Iron Castings Pvt. Ltd	0.40
Kejriwal Iron & Steel Works	0.00
Nandikeshwari Iron Foundry Pvt. Ltd	0.24
R.B. Agarwalla & Company	0.03
RSI Limited	0.59
Seramapore Industries Pvt. Ltd	0.04
Shree Rama Enterprise	0.00
Siko Exports	0.00
Super Iron Foundry	0.25
Victory Castings Ltd	0.25

2. Pre-Shipment Credit in Foreign Currency (''PCFC'')

On November 8, 1993, the GOI introduced a modified pre-shipment financing scheme, Pre-Shipment Credit in Foreign Currency, to help exporters obtain additional export credit at internationally competitive interest rates. Under this scheme, commercial banks may extend PCFC loans in all convertible currencies for a period up to 180 days on the basis of a firm's export order or irrevocable letter of credit. Because the bank's investment is denominated in foreign currency, this financing is properly viewed as foreign currency denominated financing. Accordingly, Indian commercial banks may draw upon foreign exchange balances in Exchange Earners' Foreign Currency Accounts, and Resident and Non-Resident Foreign Currency Accounts as a source of funds. Commercial banks may also raise lines of credit abroad. Under RBI regulations,

however, commercial banks may not pay more than one (1.0) percent over the six month London Interbank Offering Rate (''LIBOR'') on overseas lines of credit.

The interest rate charged by commercial banks on PCFC loans is linked to LIBOR, and, as per RBI regulations, may not exceed two (2.0) percent over LIBOR. See GOI Verification Report, Exhibit 6 at 11 and 18. Because LIBOR varies on a daily basis, the actual interest rate on a PCFC loan may, therefore, vary depending on when the loan was taken out. Interest on PCFC loans is paid on the foreign currency amount of the loan. Banks may extend the credit period beyond 180 days and charge additional interest of two (2.0) percent above the rate charged for the initial 180 day period. If export has not taken place within 360 days, or if the export order is canceled, banks may liquidate the loan by selling the equivalent amount of foreign currency (principal plus interest) at the selling foreign exchange rate prevailing on the day of liquidation. The interest recovered on the liquidated loan will be charged on the rupee equivalent of the principal amount at the rate of ''Export Credit Not Otherwise Specified,'' plus a penalty rate of two (2.0) percent. Until October 17, 1994, this rate was set by the RBI at 15.0 percent (not including the penalty). Thereafter, commercial banks, were free to determine the rate. As of May 18, 1994, Indian commercial banks could also extend PCFC loans under a line of credit, or ''running account facility,'' similar to the line of credit under the pre-shipment rupee financing scheme described above.

Receipt of PCFC loans is contingent upon export performance. Therefore, we determine that this program constitutes an export subsidy, in accordance with section 771(5A)(B) of the Act, to the extent that the interest rate on these loans is less than what a company would have to pay on a comparable commercial short-term loan.

Because PCFC loans are denominated in foreign currency, our normal practice would be to use a foreign currency benchmark, which would be the interest rate on alternative foreign-indexed loans in India. However, we have not been able to find such a benchmark, and have, therefore, used as a benchmark the rupee-denominated benchmark interest rate, adjusted to take into account the ''expected'' movements in the rupee/dollar exchange rate. (PCFC loans taken out by castings exporters were dollar-denominated.) We did this by comparing the spot rate on the day the PCFC loan was taken out with the six-month forward exchange rates. Because we had only limited data on forward rates, we could not match the forward rates with the period covered by the loan terms. We therefore used the forward exchange rate that most closely matched the loan period. We compared the adjusted benchmark to the interest rate charged on PCFC loans and found that for loans granted under this program the interest rate charged was lower than the benchmark. Therefore, in accordance with section 771(5)(E)(ii) of the Act, we determine that this program confers countervailable benefits.

One of the fifteen respondent companies used PCFC financing for shipments of subject castings to the United States during the POR. To calculate the benefit from the PCFC loans to this company, we compared the actual interest paid on these loans with the amount of interest that would have been paid using the adjusted benchmark interest. If the benchmark rate exceeded the program rate, the difference between those amounts is the benefit. Because the company was unable to segregate PCFC financing applicable to subject merchandise exported to the United States, we divided the benefit from all PCFC loans by total exports. On this basis, we preliminarily determine the net subsidy from this program to be 0.45 percent for Calcutta Ferrous and 0.00 percent for all other producers/exporters of the subject merchandise.

3. Post-Shipment Export Financing

Post-shipment export financing consists of loans in the form of trade bill discounting or advances by commercial banks. The credit covers the period from the date of shipment of goods to the date of realization of export proceeds from the overseas customer. Post-shipment finance, therefore, is a working capital finance or sales finance against receivables. In general, post-shipment loans are granted for a period of up to 90 days. The interest rate charged on these loans was 13.0 percent during the POR. For loans not repaid within the negotiated number of days (90 days maximum), banks must charge interest at 15.0 percent for the number of days the loan was overdue. If the loan is not repaid within 180 days, exporters lose the concessional interest rates on this financing, and interest is charged at 20.0 percent for the duration of the loan. As of October 18, 1994, banks could charge commercial interest rates on post-shipment loans not repaid within 180 days. These rates are based on the PLR, and ranged from 15.0 percent to 22.0 percent during 1994.

In the *1993 Indian Castings Final Results,* the Department found this program to be an export subsidy, because receipt of the post-shipment financing was contingent upon export performance. The Department also found that the program conferred countervailable benefits, because the interest rates were preferential. For reasons stated in the prior section for pre-shipment financing above, we are using the ''cash credit'' interest rate as our benchmark. Because loans under this program are discounted, and the effective rate paid by exporters on these loans is a discounted rate, we calculated from the ''cash credit'' benchmark a discount rate of 14.16 percent for the POR. We compared this benchmark to the interest rate charged on post-shipment loans and found that the program interest rate charged was lower than the benchmark. Therefore, in accordance with section 771(5)(E)(ii) of the Act, this program continues to be countervailable, because the interest rate on these loans is less than what a company would have to pay on a comparable commercial short-term loan.

During the POR, two of the fifteen respondent companies made payments on post-shipment loans for shipments of subject castings to the United States. to calculate the benefit from these preferential loans we followed the same short-term loan methodology discussed above for pre-shipment financing. Because the company was unable to segregate post-shipment financing applicable to subject merchandise exported to the United States, we divided the benefit from all post-shipment loans by total exports. On this basis, we preliminarily determine the net subsidy from this program to be 0.03 percent for Dinesh Brothers Pvt. Ltd, 0.02 percent for Super Iron Foundry and 0.00 percent for all other producers/exporters of the subject merchandise.

4. Post-Shipment Export Credit in Foreign Currency (''PSCFC'')

On January 1, 1992, the GOI introduced a modified post-shipment financing scheme, *i.e.,* post-shipment export credit in foreign currency. Under this modified scheme, exporters may discount foreign currency export bill at foreign currency interest rates linked to LIBOR. Loans under this financing scheme are not provided to the exporter in the foreign currency, but the post-shipment credit liability of the exporter is denominated in foreign currency, which is then liquidated with export proceeds in foreign currency. PSCFC loans are normally granted for a period of up to 180 days and the interest rate is fixed and announced by the RBI. See GOI Verification Report at 2–3 and Exhibit 6. The interest amount,

calculated at the applicable foreign currency interest rate, is deducted from the total amount of the bill, and the exporter's account is credited for the rupee equivalent of the net foreign currency amount. During the POR, the interest rate for PSCFC loans was 6.5 percent for the negotiated term of the loan (up to 180 days). Interest for overdue loans was charged at 8.5 percent. If the loan is not repaid within 30 days beyond the negotiated due date, the loan is converted into rupee credit, and interest is charged at a commercial interest rate over the entire loan period. During the POR, non-export related short-term commercial interest rates in India ranged from 15.0 to 22.0 percent. Where the overseas customer defaults and the export bill cannot be liquidated with export proceeds, the exporter must repay the rupee equivalent of the bill at the exchange rate prevailing on the day of liquidation by the bank.

In the 1993 Indian Castings Final Results, the Department found this program to be an export subsidy, and thus countervailable, because receipt of PSCFC loans was contingent upon export performance, and the interest rates were preferential. We also stated in the 1993 administrative review that where loans were denominated in foreign currency, such as PSCFC, our normal practice would be to use a foreign currency benchmark to determine whether the loans are preferential. Because we were unable to locate an interest rate for alternative foreign currency-indexed loans in India, we adjusted the rupee-denominated SSI benchmark interest rate, taking into account movements in the rupee-dollar exchange rate over the term of the loan (all PSCFC loans by castings exporters were dollar-denominated). However, during this administrative review we obtained additional information concerning the operation of the PSCFC program which has led us to modify this approach.

Under the PSCFC program, companies can elect to have export bills converted into rupees using either the spot rate of exchange or the forward rate of exchange. If the spot rate of exchange is used, and the bank (holding the bill) realizes and exchange rate gain due to exchange rate movements up to the date the bill comes due, the bank must, by law, transfer this gain to the exporter. On the other hand, if the bank suffers an exchange rate loss, exporters, by law, must cover that loss. See GOI Verification Report at 5, and Memorandum Re: Meeting with Bank of America Officials at 3 (November 21, 1996) (public document, on file in the public file of the Central Records Unit, Room B–099 of the Department of Commerce). Thus, the bank, in effect, faces an exchanges rate that is fixed over the ''life of the bill.'' Under such circumstances, where the rupee value of the bill—from the bank's standpoint—is, in fact, fixed at the time of discount, the rate of discount measured in either dollars or rupees is the same. Therefore, the PSCFC discount rate can be viewed equivalently as either a dollar-denominated rate or a rupee-denominated rate. If viewed as a dollar-denominated rate, no exchange rate adjustment to the rupee-denominated benchmark is warranted, because the banks face no exchange rate risks in holding the bills. Thus, however the PSCFC discount rate is viewed, a rupee-benchmark is appropriate for benefit calculation purposes where the exporter opts to convert his bills using the spot rate of exchange.

Where the exporter opts, instead, to convert bills using the forward rate of exchange, the PSCFC discount rate is properly viewed as dollar-denominated, but a downward adjustment to this rate is warranted due to the forward premium that attached to the dollar throughout the POR. Use of the forward rate transferred this premium to the exporter, increasing the rupees (and dollar-equivalent) the bank pays the exporter *at the time of discount.* Since the face value (in dollars) of the bill remains fixed, this increase in the dollar-equivalent paid to the exporter effectively reduces the discount rate charged by the bank. Because we attempt to compare effective interest rates to effective interest rates, it was necessary to adjust the interest rate for exporters that opted to convert their bills at the forward rate of exchange. Accordingly, the Department used a dollar-denominated benchmark rate and reduced the PSCFC discount rate by the forward premium rate prevailing at the time of discount. Because we had only limited data on forward rates, we could not match exactly forward rates with bill specific discount periods. Therefore, we have used forward rates that most closely matched the discounting period.

For reasons stated in the pre-shipment financing section above, we are using the ''cash credit'' interest rate as our benchmark for PSCFC loans. Because loans under this program are discounted, and the effective rate paid by exporters on these loans is a discounted rate, we derived a benchmark discount rate of 14.16 percent for the POR. However, as stated above, where exporters converted their bills at the forward rate of exchange, we adjusted the rupee-denominated discount benchmark by expected movements in the exchange rate over the term of the loan. We compared this benchmark discount rate to the interest rate charged on PSCFC loans and found that the program interest rate charged was lower than the benchmark. Therefore, in accordance with section 771(5)(E)(ii) of the Act, this program continues to confer countervailable benefits, because the interest rates on these loans are less than what a company would have to pay on a comparable commercial short-term loan.

During the POR, thirteen of the fifteen respondent companies made payments on PSCFC loans for shipments of subject castings to the United States. To calculate the benefit from these loans we followed the same short-term loan methodology discussed above for pre-shipment financing. We divided the benefit by either total exports or exports of the subject merchandise to the United States, depending on whether the company was able to tie each loan to individual destinations. On this basis, we preliminarily determine the net subsidy from this program to be as follows:

Net subsidies—producer/exporter	Net subsidy rate (percent)
Calcutta Ferrous	1.91
Carnation Enterprise Pvt. Ltd	0.14
Commex Corporation	0.91
Crescent Foundry Co. Pvt. Ltd	0.59
Dinesh Brothers	1.45
Kajaria iron Castings Pvt. Ltd	3.54
Kejriwal Iron & Steel Works	0.10
Nandikeshwari Iron Foundry Pvt. Ltd	2.74
R.B. Agarwalla & Company	0.67
RSI Limited	2.21
Seramapore Industries Pvt. Ltd	2.15
Shree Rama Enterprise	0.00
Siko Exports	2.23
Super Iron Foundry	0.00
Victory Castings Ltd	1.77

5. Income Tax Deductions Under Section 80HHC

Under section 80HHC of the Income Tax Act, the GOI allows exporters to deduct profits derived from the export of goods and merchandise from taxable income. In the 1988 Indian Castings Final Results, the Department found this program to be an export subsidy, and thus countervailable, because receipt of benefits was contingent upon export performance. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding. Therefore, in accordance with section 772(5A)(B) of the Act, we continue to find that this program constitutes an export subsidy, and that financial

contributions in the form of tax revenue not collected, are countervailable.

To calculate the benefit to each company, we subtracted the total amount of income tax the company actually paid during the review period from the amount of tax the company would have paid during the review period had it not claimed any deductions under section 80HHC. We then divided this difference by the value of the company's total exports. On this basis, we preliminarily determine the net subsidy from this program to be as follows:

Net subsidies—producer/exporter	New subsidy rate (percent)
Calcutta Ferrous	3.19
Carnation Enterprise Pvt. Ltd	2.15
Commex Corporation	0.45
Crescent Foundry Co. Pvt. Ltd	7.52
Dinesh Brothers	0.00
Kajaria iron Castings Pvt. Ltd	11.64
Kejriwal Iron & Steel Works	15.04
Nandikeshwari Iron Foundry Pvt. Ltd	0.28
R.B. Agarwalla & Company	3.86
RSI Limited	4.89
Seramapore Industries Pvt. Ltd	7.02
Shree Rama Enterprise	13.09
Siko Exports	2.28
Super Iron Foundry	0.05
Victory Castings Ltd	0.00

6. Import Mechanisms (Sale of Licenses)

The GOI allows companies to transfer certain types of import licenses to other companies in India. During the POR, producers/exporters of subject castings sold Special Import Licenses. In prior administrative reviews of this order, the Department found this program to be an export subsidy, and thus countervailable, because companies received these licenses based on their status as exporters. See, e.g., 1993 Indian Castings Final Results. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding. Therefore, in accordance with section 771(5A)(B) of the Act, we continue to find that this program constitutes an export subsidy, and that financial contributions in the form of the revenue earned on the sale of licenses, are countervailable.

Because the sale of Special Import Licenses could not be tied to specific shipments, we calculated the subsidies by dividing the total amount of proceeds a company received from sales of these licenses by the total value of its exports of all products to all markets. We preliminarily determine the net subsidy from the sale of Special Licenses to be as follows:

Net subsidies—producer/exporter	Net subsidy rate (percent)
Calcutta Ferrous	0.00
Carnation Enterprise Pvt. Ltd	0.00
Commex Corporation	0.00
Crescent Foundry Co. Pvt. Ltd	0.00
Dinesh Brothers	0.00
Kajaria Iron Castings Pvt. Ltd	0.24
Kejriwal Iron & Steel Works	0.06
Nandikeshwari Iron Foundry Pvt. Ltd	0.00
R.B. Agarwalla & Company	0.00
RSI Limited	0.00
Seramapore Industries Pvt. Ltd	0.15
Shree Rama Enterprise	0.00
Siko Exports	0.00
Super Iron Foundry	0.00
Victory Castings Ltd	0.00

7. Exemption of Export Credit From Interest Taxes

Indian commercial banks are required to pay a three percent tax on all interest accrued from borrowers. This tax is passed on to borrowers in its entirety. As of April 1, 1993, the GOI exempted form the interest tax all interest accruing or arising to any commercial bank on loans and advances made to any exporter as export credit. In the 1993 Indian Castings Final Results, we determined that this exemption is an export subsidy, and thus countervailable, because only interest accruing or arising on loans and advances made to exporters in the form of export credit is exempt from the interest tax. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding. Therefore, in accordance with section 771(5A)(B) of the Act, we continue to find that this program constitutes an export subsidy, and that financial contributions, in the form of tax revenue not collected, are countervailable.

During the POR, fourteen of the fifteen respondent companies made interest payments on export related loans, through the pre- and post-shipment financing schemes, and, thus, were exempted from the interest tax under this export program. To calculate the benefit to each company, we first determined the total amount of interest paid by each producer/exporter of subject castings during the POR by adding all interest payments made on pre- and post-shipment loans. Next, we multiplied this amount by three percent, the amount of tax that the interest would have been subject to without the exemption. We then divided the benefit by the value of the company's total exports or exports of subject merchandise to the United States, depending on whether the export financing was on total exports or only exports of subject casting to the United States. On this basis, we preliminarily determine the net subsidy from this program to be as follows:

Net subsides—producer/exporter	Net subsidy rate (percent)
Calcutta Ferrous	0.09
Carnation Enterprise Pvt. Ltd	0.03
Commex Corporation	0.03
Crescent Foundry Co. Pvt. Ltd	0.02
Dinesh Brothers	0.16
Kajaria Iron Castings Pvt. Ltd	0.24
Kejriwal Iron & Steel Works	0.00
Nandikeshwari Iron Foundry Pvt. Ltd	0.15
R.B. Agarwalla & Company	0.02
RSI Limited	0.12
Seramapore Industries Pvt. Ltd	0.06
Shree Rama Enterprise	0.00
Siko Exports	0.13
Super Iron Foundry	0.07
Victory Castings Ltd	0.08

B. Other Program Preliminarily Determined To Confer Subsidies

Payment of Premium Against Advance Licenses

The Advance License scheme allows exporters to import raw materials used in the production of an exported product duty free. During the 1993 administrative review, we found that exporters could pay for goods imported under an Advance License at two exchange rates under the Liberalized Exchange Rate Management System (''LERMS''). The LERMS was in effect from March 1, 1992 through February 28, 1993. Under the LERMS, the GOI maintained a dual exchange rate system where all foreign currency export proceeds were remitted at two exchange rates: Forty percent of the export value was exchanged at the official RBI rate and sixty percent at the (higher) market-determined rate. Purchases of most imports were made at the market exchange rate. This applied to both exporters and non-exporters. Exporters holding Advance Licenses under the Duty Exemption Scheme, however, could purchase imports at the dual exchange rates. Because forty percent of the value of the imported goods was exchanged at the lower official exchange rate, the net cost of these goods to the exporter was lowered. Advance Licenses are issued to companies based on their status as exporters. Therefore, in the 1993 review, we determined that provisions allowing exporters to import goods at exchange rates more favorable than those available to non-exporters

was an export subsidy, and thus countervailable. See 1993 Indian Castings Final Results. We verified that the LERMS was terminate effective February 28, 1993.

During the POR, however, exporters could obtain a premium from the GOI equal to eight (8.0) percent of the value of their unutilized Advance Licenses. The purpose of the premium is to compensate exporters for ''losses'' incurred due to the equalization of exchange rates in March 1993. To qualify for this premium, companies must have exported goods prior to March 1993 and realized export proceeds at the 60/40 ratio. These companies must also have experienced delays in the delivery of imported raw material inputs under an Advance License for the exports. To fulfill the export obligation, these companies had to use domestically-soured inputs. Under the Advance License scheme, exporters then may obtain special permission from licensing authorities to dispose of the raw material inputs that were imported duty free in their own production or by transferring them to another company. If the goods are transferred for use in domestically sold goods, the imported goods will subject to duty. In either case, the exporter must show that the export obligation has been met for which the company imported duty free raw materials. However, because the exchange rates were equalized, the exporters would now have to pay for the Advance License imports at the full market exchange rate. Thus, the eight percent premium is designed to compensate the exporter for the fact that export proceeds were realized at lower exchange rates, while the raw material imports intended for use in the exported goods were paid for at higher exchange rates.

Receipt of the premium is limited to companies that imported raw materials under an Advance License. Because Advance Licenses are issued to companies based on their status as exporters, we determine that receipt of this compensation is an export subsidy, and thus countervailable. See section 771(5A)(B) of the Act. During the POR, only Dinesh Brothers Pvt. Ltd. received the premium against Advance Licenses. We calculated the benefit to Dinesh by dividing the amount of the compensation by the value of the company's total exports during 1994. On this basis, we preliminarily determine the net subsidy from this program to be 3.65 percent *ad valorem* for Dinesh Brothers and 0.00 percent for all other companies.

II. Programs Preliminarily Found Not To Be Used

We examined the following programs and preliminarily find that the producers/exporters of the subject merchandise did not apply for or receive benefits under these programs during the period of review:

1. Market Development Assistance (MDA).
2. Rediscounting of Export Bills Abroad.
3. International Price Reimbursement Scheme (IPRS).
4. Cash Compensatory Support Program (CCS).
5. Programs Operated by the Small Industries Development Bank of India (SIDBI).
6. Export Promotion Replenishment Scheme (EPRS) (IPRS Replacement).
7. Export Promotion Capital Goods Scheme.
8. Benefits for Export Oriented Units and Export Processing Zones.
9. Special Imprest Licenses.
10. Special Benefits.
11. Duty Drawback on Excise Taxes.

Preliminary Results of Review

In accordance with section 355.22(c)(4)(ii) of the Department's Interim Regulations, we calculated an individual subsidy rate for each producer/exporter subject to this administrative review. For the period January 1, 1994 through December 31, 1994, we preliminarily determine the net subsidy for the reviewed companies to be as follows:

Net subsidies—producer/exporter	Net subsidy rate (percent)
Calcutta Ferrous	5.77
Carnation Enterprise Pvt. Ltd	2.56
Commex Corporation	1.42
Crescent Foundry Co. Pvt. Ltd	8.16
Dinesh Brothers	5.85
Kajaria Iron Castings Pvt. Ltd	16.06
Kejriwal Iron & Steel Works	15.21
Nandikeshwari Iron Foundry Pvt. Ltd	3.40
R.B. Agarwalla & Company Pvt. Ltd	4.59
RSI Limited	7.82
Seramapore Industries Pvt. Ltd	9.43
Shree Rama Enterprise	13.90
Siko Exports	4.65
Super Iron Foundry	0.39
Victory Castings Ltd	2.10

If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service (''Customs'') to assess countervailing duties as indicated above.

The Department also intends to instruct Customs to collect cash deposits of estimated countervailing duties as indicated above of the f.o.b. invoice price on all shipments of the subject merchandise from reviewed companies, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. As provided for in the Act, any rate less than 0.5 percent *ad valorem* in an administrative review is *de minimis*. Accordingly, for those exporters with *de minimis* rates, no countervailing duties will be assessed or cash deposits required.

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. See § 355.22(a) of the Interim Regulations. Pursuant to 19 CFR 355.22(g), for all companies for which a review was not requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. *See Federal-Mogul Corporation and The Torrington Company* v. *United States*, 822 F.Supp. 782 (CIT 1993) and *Floral Trade Council* v. *United States*, 822 F.Supp. 766 (CIT 1993) (interpreting 19 CFR 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR 355.33(g)). Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of this review.

We will instruct Customs to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by this order are those established in the most recently completed administrative proceeding. *See 1993 Indian Castings Final Results.* These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1994 through December 31, 1994, the assessment rates applicable to all non-reviewed companies covered

by this order are the cash deposit rates in effect at the time of entry.

Public Comment

Parties to the proceeding may request disclosure of the calculation methodology and interested parties may request a hearing not later than 10 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted seven days after the time limit for filing the case brief. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. Any hearing, if requested, will be held seven days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 355.38.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR 355.38, are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)).

Dated: November 27, 1996.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 96–31094 Filed 12–5–96; 8:45 am]

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[C–533–063]

Certain Iron-Metal Castings From India: Final Results of Countervailing Duty Administrative Review

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

ACTION: Notice of final results of countervailing duty administrative review.

SUMMARY: On May 22, 1996, the Department of Commerce (the Department) published in the Federal Register its preliminary results of administrative review of the countervailing duty order on certain iron-metal castings from India for the period January 1, 1993, through December 31, 1993. We have completed this administrative review and determine the net subsidy to be zero percent *ad valorem* for Delta Enterprises and Super Iron Foundry, and 5.45 percent *ad valorem* for all other companies. We will instruct the U.S. Customs Service to assess countervailing duties as indicated above.

EFFECTIVE DATE: December 6, 1996.

FOR FURTHER INFORMATION CONTACT: Christopher Cassel or Lorenza Olivas, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On May 22, 1996, the Department published in the Federal Register (61 FR 25623) the preliminary results of its administrative review of the countervailing duty order on certain iron-metal castings from India. The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

We invited interested parties to comment on the preliminary results. On June 21, 1996, case briefs were submitted by the Engineering Export Promotion Council of India (EEPC) and the exporters of certain iron-metal castings to the United States (respondents) during the period of review (POR), and the Municipal Castings Fair Trade Council and its members (petitioners). Company specific comments to the Department's preliminary determination were also submitted on June 21, 1996, by R.B. Agarwalla & Company, exporter of the subject merchandise to the United States during the POR. On June 28, 1996, rebuttal briefs were submitted by respondents and petitioners. The review covers the period January 1, 1993, through December 31, 1993, and involves 14 companies and twelve programs.

Applicable Statute and Regulations

The Department is conducting this administrative review in accordance with section 751(a) of the Act. Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994. However, references to the Department's Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments, 54 FR 23366 (May 31, 1989) (*Proposed Regulations*), are provided solely for further explanation of the Department's countervailing duty practice. 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 (URAA). See 60 FR 80 (January 3, 1995).

Scope of the Review

Imports covered by the administrative review are shipments of Indian manhole covers and frames, clean-out covers and frames, and catch basin grates and frames. These articles are commonly called municipal or public works castings and are used for access or drainage for public utility, water, and sanitary systems. During the review period, such merchandise was classifiable under the Harmonized Tariff Schedule (HTS) item numbers 7325.10.0010 and 7325.10.0050. The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Verification

As provided in section 782(i) of the Act, we verified information provided by the Government of India, and six producers/exporters of the subject merchandise. We followed standard verification procedures, including meeting with government and company officials, and examination of relevant accounting and original source documents. Our verification results are outlined in the public versions of the verification reports, which are on file in the Central Records Unit (Room B–099 of the Main Commerce Building).

Calculation Methodology for Assessment and Cash Deposit Purposes

In accordance with *Ceramica Regiomontana, S.A.* versus *United States*, 853 F. Supp. 431 (CIT 1994), we calculated the net subsidy on a country-wide basis by first calculating the subsidy rate for each company subject to the administrative review. We then weighed the rate received by each company using as the weight its share of total Indian exports to the United States of subject merchandise, including all companies, even those with *de*