

CV as the basis of NV, in accordance with section 773(a)(4) of the Act.

In accordance with section 773(e) of the Act, we calculated CV based on Viraj's cost of materials and fabrication employed in producing the subject merchandise, selling, general and administrative expenses (SG&A) incurred in connection with the production and sale of the foreign like product, and U.S. packing costs. We used the costs of materials, fabrication, and G&A as reported in the CV portion of Viraj's questionnaire response.

We used the U.S. packing costs as reported in the U.S. sales portion of Viraj's questionnaire response. We based selling expenses and profit on the information reported in the third-country sales portion of Viraj's questionnaire response.

#### E. Price-to-Price Comparisons

For price-to-price comparisons, we based NV on the prices at which the foreign like products were first sold for consumption in the third-country market to an unaffiliated party, in the usual commercial quantities and in the ordinary course of trade and at the same level of trade as the EP, in accordance with section 773(a)(1)(B)(ii) of the Act. Viraj made all third-country and EP sales of subject merchandise at the same level of trade.

Pursuant to section 777A(d)(2) of the Act, we compared the EPs of individual transactions to the monthly weighted-average price of sales of the foreign like product. We made adjustments, where applicable, for expenses incident to placing the foreign like product in condition packed ready for shipment to the place of delivery to the purchaser, in accordance with section 773(a)(6)(B)(ii) of the Act. We calculated NV based on FOB-factory or delivered prices to unaffiliated customers, and made deductions from the starting price for movement expenses. We increased third-country price by U.S. packing costs in accordance with section 773(a)(6)(A) of the Act. Prices were reported net of value-added taxes (VAT) and, therefore, no adjustment for VAT was necessary. We made circumstance-of-sale adjustments, where appropriate, for differences in credit expenses. No other adjustments were claimed or allowed.

#### Preliminary Results of the Review

As a result of our comparison of CEP and NV, we preliminarily determine that the following weighted-average dumping margin exists:

Manufacturer/exporter	Period	Margin
Viraj .....	03/01/95-8/31/95	0.00

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 34 days after the date of publication, or the first workday thereafter. Case briefs from interested parties may be submitted not later than 20 days after the date of publication. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 27 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 the new shipper administrative review, including the results of its analysis of issues raised in any case or rebuttal briefs, within 90 days of issuance of these preliminary results.

Upon completion of this new shipper review, the Department will issue appraisal instructions directly to the Customs Service. The results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the determination and for future deposits of estimated duties.

Furthermore, upon completion of this review, the posting of a bond or security in lieu of a cash deposit, pursuant to section 751(a)(2)(B)(iii) of the Act and section 353.22(h)(4) of the Department's interim regulations, will no longer be permitted and, should the final results yield a margin of dumping, a cash deposit will be required for each entry of the merchandise. The following deposit requirements will be effective upon publication of the final results of this new shipper antidumping duty administrative review for all shipments of flanges from India manufactured by Viraj, entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be that established in the final results of this new shipper administrative review; (2) for exporters not covered in this review, but covered in previous reviews or the original less-than-fair-value (LTFV) investigation, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review,

previous reviews, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be that established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 162.14 percent, the all others rate established in the LTFV investigation (59 FR 5994, February 9, 1994).

These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice 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 new shipper administrative review and notice are in accordance with section 751(a)(2)(B) of the Act (19 U.S.C. 1675(a)(2)(B)) and 19 CFR 353.22(h).

Dated: September 23, 1996.

Robert S. LaRussa,  
*Acting Assistant Secretary for Import Administration.*

[FR Doc. 96-25112 Filed 9-30-96; 8:45 am]

BILLING CODE 3510-DS-P

#### [A-533-809]

#### Certain Forged Stainless Steel Flanges From India; Final Results of Antidumping Duty Administrative Review

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

**ACTION:** Notice of Final Results of Antidumping Duty Administrative Review.

**SUMMARY:** On March 29, 1996, the Department of Commerce (the Department) published the preliminary results of its 1994-95 administrative review of the antidumping duty order on certain forged stainless steel flanges from India. The review covers one manufacturer/exporter, Akai Impex, Ltd. (Akai), for the period February 9, 1994 through January 31, 1995. We gave interested parties an opportunity to comment on our preliminary results. We received comments from the sole respondent, Akai, and rebuttal

comments from the petitioners, Flowline, Gerlin, Inc., Ideal Forging Corp., and Maass Flange.

**EFFECTIVE DATE:** October 1, 1996.

**FOR FURTHER INFORMATION CONTACT:** Maureen McPhillips or John Kugelman, Office of AD/CVD Enforcement, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-3019 or 482-0649, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On March 29, 1996, the Department published in the Federal Register (61 FR 14073) the preliminary results of its 1994-95 administrative review of the antidumping duty order on certain forged stainless steel flanges from Indian (59 FR 5994, February 9, 1994). On November 7, 1995, the Department extended the date for the final results (60 FR 56141). The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

**Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the 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).

**Scope of the Review**

The products covered by this review are certain forged stainless steel flanges both finished and not-finished, generally manufactured to specification ASTM A-182, and made in alloys such as 304, 304L, 316, and 316L. The scope includes five general types of flanges. They are weld neck, used for butt-weld line connections; threaded, used to make threaded line connections; slip-on and lap joint, used to make stub-end/butt-weld line connections; socket weld, used to fit pipe into machined recessions; and blind, used to seal off lines. The sizes of the flanges within the scope range generally from one to six inches; however, all sizes of the merchandise described above are included in the scope. Specifically excluded from the scope of this review are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM-

A-351. The flanges subject to this review are currently classifiable under subheadings 7307.21.1000 and 7307.21.5000 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope remains dispositive.

The review covers one Indian manufacturer/exporter, Akai, and the period February 9, 1994 through January 31, 1995.

**Analysis of Comments Received**

We gave interested parties an opportunity to comment on the preliminary results. We received a case brief from the respondent, Akai, and a rebuttal brief from the petitioners.

*Comment 1:* Akai maintains that the Department overstated Akai's actual profit in its calculation of constructed value (CV) by failing to remove the following third-country expenses from the gross unit price: clearing and handling charges, legal stamp charge, inland freight, inland insurance, international freight, marine insurance, and packing.

*Department's Position:* We agree with Akai. In the Department's preliminary results of this administrative review, we deducted the total cost of manufacturing, banking charges, and credit expenses from the third-country gross unit price to derive actual profit for the calculation of CV.

To accurately determine the actual profit realized by Akai in connection with the production and sale of stainless steel flanges in the ordinary course of trade, for consumption in the foreign country, it is necessary to deduct the amount, if any, included in the price, attributable to any additional costs, charges, and expenses incident to bringing the foreign like product from the original place of shipment to the place of delivery to the purchaser (see, section 773 (a)(6)(B)(ii) of the Act)).

*Comment 2:* Akai states that certain U.S. observation numbers appear to be accounted for twice in the margin calculation section of the computer program.

The petitioners counter that Akai's claim is nothing more than conjecture and, since Akai failed to point out any specific error committed by the Department, no changes should be made to the referenced transactions.

*Department's Position:* The duplication of U.S. sales observation numbers resulted from an error in programming. For these final results, we have corrected the computer program in order to eliminate the duplication of

some U.S. sales in the calculation of Akai's dumping margin.

*Comment 3:* Akai requests that the Department reconfirm its calculation of the normal values (NV), as totally different flanges have the same NV in a number of instances (e.g., the 1" BLIND 316L, the 3/4" SORF SOLID, and the 1" SORF SOLID).

The petitioners claim that Akai's references are both vague and incomplete because Akai fails to provide any indication of where the error occurs in the programming or the cause of the error. The petitioners propose that there is no reason why two different products could not have the same NV, particularly where NV is based in part on third-country prices. Since Akai does not provide any specific details or substantive reasoning demonstrating exactly why the NVs cannot be the same, the petitioners believe the Department should dismiss Akai's request.

*Department's Position:* We agree with the petitioners. Akai failed to indicate the section of the computer program where the calculation of the normal values of two different flanges results in identical normal values. Moreover, Akai did not give any reason why it would be impossible for the NVs of different flanges to be identical. Calculation of the NVs of the third-country Canadian sales requires the deduction of nine different expense categories. In addition, each NV is a weighted-average price. It is certainly conceivable, therefore, that two different flanges could have some variables with different values, yet have identical NVs. In any event, we are unable to reach any conclusions about Akai's comments on our calculation of NVs without more specific information.

*Comment 4:* Akai states that the Department, in this first administrative review, has not followed the product-matching methodology used in the original investigation where the Department considered only the physical characteristics of the product in order of importance (i.e., alloy, type, and size) to match the U.S. product to the third-country product. Akai points out that the matching methodology used in the original investigation was articulated in the standard Department decision memorandum and in the Department's questionnaire. In this first administrative review, however, Akai contends that the Department has now added cost considerations in "some unclear and undefined way" to determine the appropriate model match. In support of its contention that the Department's product-matching methodology should be based purely on

the physical characteristics of the merchandise and not on cost considerations, Akai cites the Court of International Trade's (CIT) decisions in *Federal-Mogul Corporation and the Torrington Company v. United States*, Slip Op. 96-37 (CIT, February 13, 1996) at 13 and 16, and *NSK v. United States*, Slip Op. 96-53 (CIT, March 13, 1996). Moreover, Akai maintains that the Department offers no rationale for the inconsistency in the product-matching methodology between the original investigation and this annual review. Akai cites *Bowe Passat v. United States*, Slip Op. 96-73 (CIT, May 8, 1996) to illustrate its position that "inconsistent treatment, without any rationale, is contrary to law." In conclusion, Akai states that the Department provides no explanation or support whatsoever for the matching methodology chosen, which is, according to Akai, contrary to law.

The petitioners counter that Akai's comments concerning the model-match methodology chosen by the Department are both inaccurate and irrelevant. First, the petitioners state that the Department is not required to follow the product-matching methodology used in the original investigation in any subsequent administrative reviews. Indeed, they maintain that in any investigation or subsequent review, there is a learning curve which the Department travels, and it should not be restricted from modifying and improving its matching methodology as it learns more about the various products. Moreover, the petitioners state that Akai's contention that the Department's "new" methodology incorrectly includes cost considerations is based on Akai's improper reading of the computer program. The petitioners point out that the program sorts third-country and U.S. models based on alloy grade, size trademark, designation, and ASTM standard designation and, when the two data bases are later merged, the same criteria are used without any consideration of costs. The petitioners believe that perhaps Akai is confused by the Department's calculation of the difference-in-merchandise adjustments (difmers) which occurs earlier in the program. According to the petitioners, the Department calculated the difmers to ensure that the variable differences in costs between the U.S. and the third-country models met the Department's 20 percent rule and had nothing to do with the Department's matching of U.S. and third-country products.

*Department's Position:* Akai had no home market or third-country sales during the period of investigation (POI). The Department, therefore, in

accordance with section 773(a)(4) of the Act, used CV to calculate foreign market value (FMV) (see Final Determination of Sales at Less Than Fair Value; Certain Forged Stainless Steel Flanges from India, 58 FR 68853 (December 29, 1993)). The CV of the subject merchandise is the sum of the cost of manufacturing, the actual amounts incurred by the exporter during the POI or period of review (POR) for selling, general, and administrative expenses, the actual profits and the cost of all containers and all other expenses incidental to placing the subject merchandise in condition packed ready for shipment to the United States (see section 773(e) of the Act). Since we used the CV of the subject merchandise to determine FMV during the POI, rather than a price-to-price comparison with home market or third-country models, model-matching methodology was irrelevant.

For the preliminary results of this administrative review Akai did have third-country sales to Canada which we used for comparison purposes, if we found an appropriate match. For those sales without a third-country match, we used the CV of the subject merchandise.

With respect to Akai's objection to the Department's "addition" of cost considerations in its model-match methodology in the preliminary results of this administrative review, in accordance with section 771(16)(A) of the Act, the Department first identifies and compares that merchandise which is "identical" in physical characteristics, followed by sales of merchandise which is most "similar" in physical characteristics. To make these determinations, the Department devises a hierarchy of commercially meaningful characteristics, suitable to each class or kind of merchandise. The courts have recognized that the Department has broad discretion to devise the model-match methodology it deems the most appropriate to determine what constitutes similar merchandise. See *Torrington Co. v. United States*, 881 F. Supp. 622, 635 (CIT 1995), *Koyo Seiko Co. v. United States*, 66 F.3d 1204, 1209 (CAFC 1995), *NTN Bearing Corp. v. United States*, 747 F.Supp. 726, 736 (1990). For the preliminary results of this administrative review, the Department selected alloy grade, size, type, and the ASTM standard designation as the hierarchy of physical characteristics to use in determining the identical or most similar third-country model to compare to each U.S. model.

In addition, in determining NV, the Department must base its valuation on the price of "such or similar merchandise" sold in the home market (third country) (see 19 U.S.C.

§ 1677b(a)(1)(A)). "Such or similar merchandise" is defined in relevant part as "[m]erchandise produced in the same country and by the same person as the merchandise which is the subject of the investigation, like that merchandise in component material or materials and in the purposes for which used, and approximately equal in commercial value to that merchandise" (19 U.S.C. § 1677(16)(B)). When several third-country models are equally similar in physical characteristics, we choose the third-country model which, when compared to the U.S. model, has the lowest difference in variable costs of manufacturing, provided the difmer does not exceed 20 percent of the total cost of manufacturing of the U.S. model. If these conditions prevail, the Department calculates an adjustment for the difference in cost in order to select the home market (third-country) model with the smallest cost difference between it and the U.S. model. The Department's adoption of the "20 percent difmer" test, pursuant to 19 CFR § 353.57(b)(1992), ensures the selection of the home market (third-country) model with the greatest commercial similarity to the U.S. model (see Final Results of Antidumping Duty Administrative Review of Tapered Roller Bearings from Japan, 57 FR 4952 (February 11, 1992)). Therefore, when the four physical criteria of alloy, type, size, and ASTM standard designation were equally similar, we matched the U.S. model to the third-country model having the least difference in variable costs between it and the U.S. model, provided the cost difference was no greater than 20 percent.

#### Final Results of Review

As a result of our review, we determine that the following weighted-average margin exists:

Manufacturer/exporter	Period of review	Margin (percent)
Akai Impex, Ltd. ....	02/09/94-01/31/95	2.56

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

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of review for all shipments of certain forged stainless steel flanges from India

within the scope of the order entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate listed above; (2) for previously reviewed or investigated companies not listed above, the rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) for all other producers and/or exporters of this merchandise, the cash deposit rate will be 162.44 percent, the "all others" rate established in the LTFV investigation. 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 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 subsequent assessment of double antidumping duties.

#### Notification of Interested Parties

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 19 CFR § 353.34(d). Timely written 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. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested.

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

Dated: September 23, 1996.

Robert S. LaRussa,

*Acting Assistant Secretary for Import Administration.*

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#### International Trade Administration

[A-475-703]

#### Granular Polytetrafluoroethylene Resin from Italy; Preliminary Results of Antidumping Duty Administrative Review

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

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

**SUMMARY:** In response to a request by the petitioner, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on granular polytetrafluoroethylene (PTFE) resin from Italy. This review covers one manufacturer/exporter of the subject merchandise to the United States for the period August 1, 1994, through July 31, 1995.

We have preliminarily determined that dumping margins exist for the respondent. Interested parties are invited to comment on these preliminary results. Parties who submit arguments in this proceeding are requested to submit with each argument (1) a statement of the issue, and (2) a brief summary of the argument.

**EFFECTIVE DATE:** October 1, 1996.

**FOR FURTHER INFORMATION CONTACT:** Michael Rausher or Richard Rimlinger, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, DC 20230; telephone: (202) 482-4733.

#### SUPPLEMENTARY INFORMATION:

##### Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to 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).

##### Background

On August 30, 1988, the Department published in the Federal Register (53 FR 33163) the antidumping duty order on granular PTFE resin from Italy. On August 1, 1995, the Department published a notice of "Opportunity to

Request Administrative Review" of the antidumping duty order for the period of August 1, 1994 through July 31, 1995 (60 FR 39150). We received a timely request for review from the petitioner, E. I. DuPont de Nemours & Company. On October 12, 1995, the Department initiated a review of Ausimont S.p.A. (60 FR 53165).

##### Scope of the Review

The product covered by this review is granular PTFE resins, filled or unfilled. This order also covers PTFE wet raw polymer exported from Italy to the United States. See *Granular Polytetrafluoroethylene Resin from Italy; Final Determination of Circumvention of Antidumping Duty Order*, 58 FR 26100 (April 30, 1993). This order excludes PTFE dispersions in water and fine powders. During the period covered by this review, such merchandise was classified under item number 3904.61.00 of the *Harmonized Tariff Schedule* (HTS). We are providing this HTS number for convenience and Customs purposes only. The written description of the scope remains dispositive.

The review covers one Italian manufacturer/exporter of granular PTFE resin, Ausimont S.p.A., and the period August 1, 1994 through July 31, 1995.

##### Use of Facts Available

In the Department's initial questionnaire, we requested that Ausimont provide value-added data for all models which are further manufactured in the United States. Ausimont failed to provide this information. In a supplemental questionnaire dated May 26, 1996, we again requested that Ausimont report the cost of further manufacturing performed in the United States. In responding, Ausimont still failed to provide this information for certain models.

Section 776(a) of the Act provides that if necessary information is not available on the record, or an interested party or any other person fails to provide such information by the deadlines for submission of the information or in the form and manner requested, the Department shall use the facts otherwise available. In addition, section 776(b) of the Act provides that if an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information, the Department may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available.

Ausimont's failure to provide further manufacturing data for certain models