

At its third meeting on September 25–27, 1996, the Committee took the following actions:

- Accepted the application of Microsoft to join the Committee.
- The subcommittee on Compliance Assessment reviewed and revised a draft list of criteria for an effective conformity assessment model, then developed consensus around fifteen of these criteria, with another five criteria needing further clarification or discussion. The subcommittee divided into two work groups: Consumer Information/Verification and Coordination Point/Practitioners' Qualifications.
- The subcommittee on Guidelines Content divided into two work groups: Process Guidelines, and Performance and Design Guidelines. Each work group developed a set of principles and criteria for further discussion. Draft products are posted on a Trace-sponsored Web site. Discussion will be by e-mail (via the main TAAC–L listserv) and by teleconference call. The URL for the Web site is <http://trace.wisc.edu/taac/workdoc.htm>.

The Committee will meet on the dates and at the location announced in this notice. The meetings are open to the public. There will be a public comment period each day for persons interested in presenting their views to the Committee. Persons attending the meetings are strongly encouraged to use public transportation since parking is extremely limited. The American Speech-Language and Hearing Association offices are located north of the Grosvenor Metro subway station. Persons who must drive should call Dennis Cannon at the Access Board. The facility is accessible to individuals with disabilities. Sign language interpreters, assistive listening systems and real time transcription will be available.

The Committee will meet again on December 16–18, 1996 and January 14–15, 1997. Subsequent meetings will be held at locations to be announced.

Lawrence W. Roffee,  
Executive Director.

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BILLING CODE 8150–01–P

## DEPARTMENT OF COMMERCE

### International Trade Administration [A–412–602]

#### **Certain Forged Steel Crankshafts From the United Kingdom; 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 June 18, 1996, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on certain forged steel crankshafts from the United Kingdom (61 FR 30854). The review covers one producer/exporter of this merchandise to the United States for the review period September 1, 1993 through August 31, 1994.

We gave interested parties an opportunity to comment on our preliminary results. Based on our analysis of the comments and rebuttal comments received, we have corrected certain clerical errors in the margin calculations. The final weighted-average dumping margin for the reviewed firm is listed below in the section entitled “Final Results of the Review.”

**EFFECTIVE DATE:** October 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** J. David Dirstine or Lyn Johnson, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–4733.

**APPLICABLE STATUTE AND REGULATIONS:** Unless otherwise indicated, all citations to the statute and to the Department's regulations are references to the provisions as they existed on December 31, 1994.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On June 18, 1996, the Department published the preliminary results of administrative review of the antidumping duty order on certain forged steel crankshafts from the United Kingdom (61 FR 30854). We gave interested parties an opportunity to comment on the preliminary results. There was no request for a hearing. The Department has now conducted this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act).

##### **Scope of Review**

Imports covered by this review are certain forged steel crankshafts. The term “crankshafts,” as used in this review, includes forged carbon or alloy steel crankshafts with a shipping weight between 40 and 750 pounds, whether machined or unmachined. These products are currently classifiable under item numbers 8483.10.10.10, 8483.10.10.30, 8483.10.30.10, and 8483.10.30.50 of the Harmonized Tariff Schedule (HTS). Neither cast crankshafts nor forged crankshafts with shipping weights of less than 40 pounds or more than 750 pounds are subject to this review. The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

##### **Analysis of Comments Received**

We gave interested parties an opportunity to comment on the preliminary results. On July 18, and 25, 1996, we received case and rebuttal briefs from the petitioner, the Krupp Gerlach Company (KGC), and the respondent, UES Ltd.—Forgings Division (UEF).

##### **Issues Raised by KGC**

*Comment 1:* KGC argues that the Department improperly used the cost of production (COP) of UEF's sister company, UES Steels, for the steel input cost in the calculation of CV. KGC asserts that it was improper to use UES's COP as a measure of UEF's raw material input costs without first obtaining the transfer prices charged to UEF by UES to determine whether they were greater than UES's COP. KGC further claims that the Department failed to follow its own hierarchy as established in Import Administration Policy Bulletin Number 94.4 of March 25, 1994 (PB 94.4) for measuring raw material costs supplied by a related party when performing a CV analysis. KGC argues that, in accordance with this hierarchy, the Department may use the related party's COP “only” if it determines that the related party transfer price was below cost. KGC further argues that, if raw material inputs were supplied at transfer prices that exceeded the supplier's COP then, in accordance with PB 94.4, the Department should use those transfer prices, in the absence of any better measure of the market value of those inputs, e.g., arm's length prices to unrelated parties. KGC states that this is consistent with numerous determinations including *Oil Country Tubular Goods From Austria*, 60 FR 33551 (June 28, 1995), *Certain Cold-Rolled Carbon Steel Flat Products from*

Germany, 60 FR 65264 (December 19, 1995); and *Final Results of Antidumping Duty Administrative Review of Antifriction Bearings from France and Other Countries*, 58 FR 39729 (July 26, 1993), where the Department used transfer prices rather than the related party's COP.

UEF argues that, since UES Steels and UEF are both unincorporated operating divisions within a single legal entity, UES Ltd., they are parts of the same company and share a common steel COP. UEF maintains that, although UEF and UES Steels use transfer prices as a bookkeeping convention for internal management purposes, steel provided by UES Steels to UEF is recorded in UES Ltd.'s books at actual cost. UEF also argues that PB 94.4 does not provide a strict hierarchy that the Department must follow in determining whether or not to use transfer prices for related party transactions for the calculation of CV, but instead constitutes a set of discretionary guidelines for calculating CV.

**Department's Position:** Although respondent describes UEF and UES as "related" in various sections of their questionnaire response, the weight of record evidence (e.g., corporate structure charts and audited financial statements) indicate that they are divisions of the same corporation, UES Holdings Limited. The Department has determined that section 773(e)(2) does not apply in such situations:

Since NSC's steel was manufactured internally by another division of the same company, section 773(e) of the Act is inapplicable. Section 773(e)(2) directs the disregarding, in certain instances, of "a transaction directly or indirectly between [related] persons." A single corporation is not two or more persons; it is legally one. Thus, we have used NSC's actual verified costs rather than Japanese market prices for steel.

**Offshore Platform Jackets and Piles From Japan: Final Determination of Sales at Less Than Fair Value**, 51 FR 11788, 11791 (Apr. 7, 1986). Because UEF and UES Steels are divisions of the same corporation, UEF's steel cost for producing crankshafts is the COP of the steel manufactured by UES Steels. Sections 773(e)(2) and 773(e)(4), as well as the cases cited by KGC, do not apply. Therefore, we used the COP data provided by UEF in calculating CV.

**Comment 2:** KGC argues that UEF understated the fixed costs of the crankshafts under review by improperly allocating fixed costs on the basis of weight, as opposed to value. Based on its analysis of UEF's financial statements, KGC maintains that the fixed costs that UEF has reported for individual crankshaft models are

disproportionately small compared to UEF's general fixed cost experience. Furthermore, KGC argues that UEF's allocation of fixed costs to the individual crankshaft models in question is inherently suspect because of its reliance on what is designated as an "Actual Costs System" (ACS). KGC contends that the ACS does not supply the actual cost data in UEF's accounting system, but only a reconstruction of that cost data for each model. KGC asserts that UEF has not only failed to explain its cost allocation methodology, but has not provided adequate support for its methodology. Finally, KGC argues that UEF not only incorrectly used weight to allocate certain end-of-year accounting adjustments, but also made no effort to quantify or describe these adjustments.

In rebuttal, UEF asserts that its fixed cost allocation methodology was described to, and accepted by, the Department in its Cost Verification Memorandum of August 12, 1993 which was included at Appendix H of UEF's April 11, 1996, submission. UEF also argues that KGC's contention that the fixed cost data for individual crankshafts do not accurately reflect the total fixed and variable costs reported for UEF's forging facilities is completely false in that KGC ignored the fixed costs that UEF identified as general and administrative expenses (G&A) in its calculations. UEF contends that once the fixed costs identified by UEF as G&A are included in these calculations, the total fixed costs are consistent with those reported in UEF's submissions. UEF states that its ACS, which was developed to allocate costs in response to the Department's CV questionnaire and which was verified in previous reviews, properly accounts for all fixed costs. Lastly, regarding minimal end-of-year accounting adjustments, UEF argues that, consistent with its practice in prior reviews, it uses weight to allocate these costs among merchandise produced at its forging sites because this method is as effective as any with respect to such incidental costs.

**Department's Position:** We agree with UEF. KGC's argument that UEF understated its fixed costs is incorrect, because KGC's allegation failed to include the fixed costs that were reported as part of UEF's G&A expenses. Moreover, there are a number of reasonable methods of allocating costs, and allocation bases can vary from cost center to cost center. Examples of this are the cost centers for the heat treatment operation and the press operations. In the heat treatment cost center, costs are incurred as a direct result of weight, because heat treatment costs increase as weight (and size)

increases. Therefore, it is reasonable to allocate heat treatment cost center expenses by weight. In the press cost center, fixed costs are determined on the basis of production time, because costs are incurred in relation to the time it takes to produce a given crankshaft. Other elements in this cost center, such as fuel, are calculated on the basis of production tons, because costs are incurred in relation to the amount of fuel consumed in heating the metal before it is pressed. The Department examined UEF's cost allocation methodology in a prior review and found no discrepancies. Accordingly, we find nothing inherently wrong in allocating certain fixed costs on the basis of weight.

Moreover, in some circumstances, it would be inappropriate to allocate costs on the basis of value. For example, as discussed above, heat treatment costs relate to weight and size, not to value. Small, high-value crankshafts incur lower heat treatment costs than large, low-value crankshafts.

In summary, since we find UEF's fixed cost allocation methodology in this review to be accurate and consistent with the methodology verified and accepted in the previous review, we have continued to accept it for this review.

**Comment 3:** KGC argues that the Department abused its discretion by declining to initiate a below-cost investigation based on KGC's allegation that reasonable grounds existed to believe or suspect that UEF had engaged in sales below cost in its home market during the POR. According to KGC, the Department's conclusion that KGC's allegation was unrepresentative of the crankshaft models sold by UEF in its home market is inconsistent with the Act, which requires only that there exist reasonable grounds to believe or suspect that sales below cost have been made in the home market. Moreover, KGC argues that the Department's policy for initiating a below-cost investigation of home market sales requires only that the examples used in an allegation be representative of the broader range of foreign models which may be used to determine FMV, not of the home market sales in general. KGC argues that its allegation was representative of the former in that the only home market comparators used for price-to-price comparisons in this review were subjects of KGC's below-cost allegations. KGC concludes that use of these models for comparison purposes improperly skews the review results and that the Department should rectify this by using CV for these comparisons.

In rebuttal, UEF contends that the Department has broad discretion in determining whether to begin a COP investigation and that the Department properly declined to initiate a below-cost investigation of UEF's home market sales in this case.

**Department's Position:** We agree with the respondent. In general, the Department will initiate a cost investigation whenever it has reasonable grounds to believe or suspect that sales in the HM or third country, if appropriate, have been made at prices below the COP. 19 U.S.C. 1677b(b). An allegation by petitioner of sales below cost will be deemed to have provided reasonable grounds if: (1) a reasonable methodology is used in the calculation of the COP *including* the use of respondent's data if available or, if not available, the petitioner's own data adjusted for any known differences; (2) using this methodology, sales are shown to be made at prices below COP; and (3) the sales allegedly made at prices below COP are representative of a broader range of models that may be used as a basis for foreign market value (FMV) (see Import Administration Policy Bulletin Number 94.1 of March 25, 1994 (PB 94.1)).

UEF sold both machined and unmachined crankshafts in the U.S. and HM during the POR. Accordingly, both types of crankshaft were subject to review in this case. As petitioners note, however, the Department does not match machined crankshafts to unmachined crankshafts, or vice-versa. Therefore, only HM sales of *machined* crankshafts can be compared to U.S. sales of machined crankshafts.

Thus, for a COP allegation to be representative it must address both machined and unmachined crankshafts. If it does not, then the Department will not initiate a COP inquiry, unless the allegation is model-specific. As the Department explained in its policy bulletin, "[i]f the allegation examples are not representative, then we would not have reasonable grounds to conclude other models might be sold below cost, and ought not to initiate the inquiry, unless the allegation *specifically requests* a cost investigation of specific models." See PB 94.1 at 3 (emphasis added).

In this case, KGC's COP allegation neither contained data for machined crankshafts, nor explained how the unmachined models it did contain data for were representative of machined crankshafts. Moreover, KGC did not request a cost investigation of specific models, although it could have done so (as PB 94.1 suggests). Similarly, KGC did not request that the Department's

cost investigation be limited to unmachined crankshafts. Rather, KGC requested "a COP investigation that covers *all* crankshaft models sold by UEF in its home market, at least to the extent that those home market models may potentially be considered as matches for the U.S. sales that are the subject of this review." See Feb. 10, 1995 COP allegation at 14 (emphasis in original). Because UEF sold both machined and unmachined crankshafts in the U.S. and HM during the POR, both types could have been potential matches for UEF's U.S. sales. Thus, KGC's request, by its plain terms, applied to both types.

KGC's allegation, which only contained data for unmachined crankshafts, was not representative of the HM database as a whole. Therefore, it did not provide reasonable grounds for the Department to believe or suspect that HM sales of machined and unmachined crankshafts had been made at prices below the COP. Accordingly, we did not initiate a COP investigation in this review.

#### Issues Raised by UEF

**Comment 4:** UEF claims that it made a clerical error by reporting a shipment of crankshafts using the wrong model number. UEF contends that when the first shipment of a new replacement model was made, its computer system was not set up to recognize the new model number. Therefore, when the shipment data for the new model entered the computer system, it was erroneously recorded under the model number of the crankshaft it replaced. UEF contends that information on the record verifies that the shipment reported is in fact a shipment of the new model number and submitted additional documentation to support its claim. UEF requests that the Department correct this clerical error for the final results.

KGC argues that UEF does not provide sufficient documentation to support its claim that the alleged error is clerical. Petitioner argues that the documentation provided by respondent contains handwritten notes and the Department has no way to verify when those notes were written. KGC also argues that since the payment date for the shipment in question approximates the payment dates for other shipments of the old model number, the record suggests that it was a shipment of the old model rather than of the new replacement model. KGC further argues that because there were at least five other shipments of the old model after the shipment in question, the record again suggests that it was a shipment of

the old model rather than of the new replacement model.

**Department's Position:** We agree with respondent. In the final results on certain fresh cut flowers from Ecuador, we established our policy for correcting clerical errors of respondents. See *Certain Fresh Cut Flowers From Ecuador: Final Results of Antidumping Duty Administrative Review*, 61 FR 37044, 37047 (July 16, 1996) (*Ecuadorian Flowers*). As stated in *Ecuadorian Flowers*, we will accept clerical errors under the following conditions: (1) the error in question must be demonstrated to be a clerical error, not a methodological error, an error in judgment, or a substantive error; (2) the Department must be satisfied that the corrective documentation provided in support of the clerical error allegation is reliable; (3) the respondent must have availed itself of the earliest reasonable opportunity to correct the error; (4) the clerical error allegation, and any corrective documentation, must be submitted to the Department no later than the due date for the respondent's administrative case brief; (5) the clerical error must not entail a substantial revision of the response; and (6) the respondent's corrective documentation must not contradict information previously determined to be accurate at verification. We reviewed UEF's alleged clerical error and evaluated it using the above six criteria from *Ecuadorian Flowers* with the following results: (1) Upon examination of UEF's data, we find that the mixup in model numbers was not an error in method, judgment, or substance, since UEF's computer system was not set up to recognize the replacement (new) model number at the time the data for the first shipment of the new model was entered into its computer system. This resulted in the first shipment of the new model being recorded under the old model number. (2) Although the invoice for this shipment indicates that the new customer part number and new model number were entered into the system under the old customer part and UEF model numbers, the invoice contains information, e.g., the cast number, which ties to the cast record. The cast record (which records the production data for the batch of the steel alloy used to produce the new replacement model) corresponds with the cast number on the invoice as well as the new model number. In addition, a letter from UEF's customer, included in UEF's original submission, stated that UEF was authorized to produce the new model starting with the next scheduled shipment. The letter was dated October

27, 1993, which was two weeks before the date on the cast record, and four weeks before the shipment date on the invoice for the first shipment of the new model. The letter referenced the part and model numbers and the steel alloy to be used to produce the new model. Information on the record indicates that this alloy would not have been used for making the old crankshaft model. The payment date for the shipment corresponds with payment dates for other shipments of the new model. We find this documentation to be supportive and reliable. (3) and (4) The respondent notified the Department and submitted corrective documentation no later than the due date for its case brief. (5) Correcting the alleged error does not entail a substantial revision of the response. (6) Since we did not conduct a verification, the information does not contradict verified information. Therefore, we have made this correction for our final results of review.

We disagree with the petitioner that UEF has not substantiated its clerical error claim. The fact that the shipment in question occurred four weeks before the next shipment of that model indicates only that it was the first shipment of the new model. Similarly, KGC's observation that there were five shipments of the old model after the first shipment of the new model suggests that UEF was shipping the remaining balance of the orders for the old model. Significantly, the October 27, 1993 letter did not instruct UEF to cease production of the old model, only that it was authorized to begin production of the new model. Moreover, petitioner's observation that the payment date for the shipment in question corresponds with the payment date for the old models does not defeat UEF's claim, because there is no evidence suggesting that these old models had been phased out of production. Finally, the last payment for the old model took place approximately three weeks before the payment date for the shipment in question.

*Comment 5:* UEF alleges that, as a result of a data input error, it reported an incorrect value for imputed credit. KGC does not contest UEF's assertion.

*Department's Position:* We agree with the respondent. UEF's data input error was clerical, not methodological, and its questionnaire response supports its clerical error claim. Therefore, we have made this change for our final results of review.

*Comment 6:* UEF contends that it made a clerical error in calculating the cost of manufacturing (COM) for one of its models. Instead of actual number of units produced from a die, UEF argues

that it used the standard number of units produced from a die to calculate the allocated, per-unit die cost for making this model. Because UEF planned to terminate production of this particular model during the POR, it produced substantially more than the standard number of units from the die. Respondent contends that the use of actual rather than the standard cost for computing COM in this situation would be in accordance with the Department's preference.

KGC argues that respondent's request is not clerical but methodological. KGC also argues that UEF does not provide documentary evidence to support its claim.

*Department's Position:* We agree with petitioner. UEF has not met either criterion one or two of our established policy regarding the correction of clerical errors. First, this is a substantive allegation that is based on information that was not submitted until after the Department's preliminary determination. Second, the respondent has provided no documentation to support its allegation. Therefore, we have not made this change for our final results of review.

#### Final Results of Review

As a result of our review, we determine that the following weighted-average margin exists for the period September 1, 1993 through August 31, 1994:

Producer/exporter	Margin (percent)
UEF .....	0.48

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

Furthermore, the following deposit requirement will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(1) of the Tariff Act: (1) the cash deposit rate for the reviewed company will be zero because the margin for this company is *de minimis*, i.e., less than 0.5 percent); (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the

most recent period; (3) if the exporter is not a firm covered in this review, a prior 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 shall be 6.55 percent, the "all others" rate from the LTFV investigation. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during 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 the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Failure to comply is a violation of the APO.

This administrative review and notice is in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and section 353.22 of the Department's regulations (19 CFR 353.22(c)(5)).

Dated: October 11, 1996.

Robert S. LaRussa,

*Acting Assistant Secretary for Import Administration.*

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#### [A-201-504]

#### Notice of Final Results of Antidumping Duty Administrative Review: Porcelain-on-Steel Cookware From Mexico

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

**ACTION:** Notice.

**SUMMARY:** On March 6, 1996 the Department of Commerce published the preliminary results of its administrative review of the antidumping duty order on porcelain-on-steel (POS) cookware from Mexico. The review covers shipments of this merchandise to the