

Dated: October 30, 1996.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

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[A-588-054, A-588-604]

Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews

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

ACTION: Notice of Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews.

SUMMARY: In response to requests by the petitioner and two respondents, the Department of Commerce (the Department) is conducting administrative reviews of the antidumping duty order on tapered roller bearings (TRBs) and parts thereof, finished and unfinished, from Japan (A-588-604), and of the antidumping finding on TRBs, four inches or less in outside diameter, and components thereof, from Japan (A-588-054). The review of the A-588-054 finding covers one manufacturer/exporter and seven resellers/exporters of the subject merchandise to the United States during the period October 1, 1994, through September 30, 1995. The review of the A-588-604 order covers two manufacturers/exporters, seven resellers/exporters, four firms identified by the petitioner in this case as forging producers, and the period October 1, 1994, through September 30, 1995.

We preliminarily determine that sales of TRBs have been made below the normal value (NV). If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Customs Service to assess antidumping duties equal to the difference between United States price and the NV. Interested parties are invited to comment on these preliminary results. Parties who submit argument in these proceedings are requested to submit with the argument (1) a statement of the issues and (2) a brief summary of the argument.

EFFECTIVE DATE: November 6, 1996.

FOR FURTHER INFORMATION CONTACT:

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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 Rounds Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, as amended by the interim regulations published in the Federal Register on May 11, 1995 (60 FR 25130).

SUPPLEMENTARY INFORMATION:

Background

On August 18, 1976, the Treasury Department published in the Federal Register (41 FR 34974) the antidumping finding on TRBs from Japan, and on October 6, 1987, the Department published the antidumping duty order on TRBs from Japan (52 FR 37352). On October 5, 1995, the Department published the notice of "Opportunity to Request Administrative Review" for both TRB cases covering the period October 1, 1994 through September 30, 1995 (60 FR 52149).

In accordance with 19 CFR 353.22(a)(1) (1995), the petitioner, the Timken Company (Timken), requested that we conduct a review of Honda Motor Company, Ltd. (Honda), Fuji Heavy Industries (Fuji), Kawasaki Heavy Industries (Kawasaki), Yamaha Motor Co., Ltd. (Yamaha), Nigata Converter Co., Ltd. (Nigata), Suzuki Motor Co., Ltd. (Suzuki), and Toyosha Co., Ltd. (Toyosha), in both the A-588-054 and A-588-604 cases. In addition, Timken requested that we conduct a review of Nittetsu Boltten (Nittetsu), Showa Seiko Co., Ltd. (Showa), Ichiyangi Tekko (Ichiyangi), and Sumikin Seiatu (Sumikin) in the A-588-604 TRB case. Koyo Seiko Co., Ltd. (Koyo) requested that we conduct a review of its sales in both TRB cases, and NTN Corporation (NTN) requested that we conduct a review of its sales in the A-588-604 case. On November 11, 1995, we published in the Federal Register a notice of initiation of these antidumping duty administrative reviews covering the period October 1, 1994 through September 30, 1995 (60 FR 57573).

Because it was not practicable to complete these reviews within the normal time frame, on May 6, 1996, we published in the Federal Register our notice of the extension of the time limits for both the A-588-054 and A-588-604 1994-95 reviews (61 FR 8253). As a result of this extension and the 28-day total federal government shutdown, we extended the deadline for these preliminary results to October 30, 1996, and for the final results to February 28, 1997.

Scope of the Reviews

Imports covered by the A-588-054 finding are sales or entries of TRBs, four inches or less in outside diameter when assembled, including inner race or cone assemblies and outer races or cups, sold either as a unit or separately. This merchandise is classified under Harmonized Tariff Schedule (HTS) item numbers 8482.20.00 and 8482.99.30.

Imports covered by the A-588-604 order include TRBs and parts thereof, finished and unfinished, which are flange, take-up cartridge, and hanger units incorporating TRBs, and roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use. Products subject to the A-588-054 finding are not included within the scope of this order, except those manufactured by NTN. This merchandise is currently classifiable under HTS item numbers 8482.99.30, 8483.20.40, 8482.20.20, 8483.20.80, 8482.91.00, 8483.30.80, 8483.90.20, 8483.90.30, and 8483.90.60. In addition, on February 2, 1995, we published in the Federal Register our final scope decision concerning Koyo's rough forgings (60 FR 6519), in which we determined that Koyo's rough forgings were within the scope of the A-588-604 order. The HTS item numbers listed above for both the A-588-054 finding and the A-588-604 order are provided for convenience and Customs purposes. The written description remain dispositive.

The period for each 1994-95 review is October 1, 1994, through September 30, 1995. The review of the A-588-054 case covers TRB sales by one manufacturer/exporter (Koyo), and seven reseller/exporters (Honda, Fuji, Kawasaki, Yamaha, Nigata, Suzuki, and Toyosha). The review of the A-588-054 case covers TRBs sales by two manufacturers/exporters (Koyo and NTN), seven reseller/exporters (Honda, Fuji, Kawasaki, Yamaha, Nigata, Suzuki, and Toyosha), and four firms identified as forging producers (Nittetsu, Showa, Ichiyangi, and Sumikin). As described in the "Termination in Part" section of

this notice, we are terminating our review of five of the 13 firms in the A-588-604 case and two firms in the A-588-054 case.

Termination in Part

In accordance with section 353.22(a)(5) (1995) of the Department's regulations, on January 16, 1996, Koyo withdrew its request for review in the A-588-604 case and on January 25, 1996, NTN also withdrew its request for review in the A-588-604 case. In addition, on March 7, 1996, Timken withdrew its request for review for Ichiyanagi in the A-588-604 case and for Toyosha in both the A-588-604 and A-588-054 cases. Because we received timely requests for the withdrawal of review from Koyo, NTN, and Timken, and because no other party to the proceedings requested a review for Koyo, NTN, and Ichiyanagi in the A-588-604 case and Toyosha in both the A-588-604 and A-588-054 cases, in accordance with 19 CFR 353.22(a)(5), we are terminating the A-588-604 review with respect to Koyo, NTN, Ichiyanagi, and both the A-588-054 and A-588-604 reviews for Toyosha.

In addition, we are terminating the A-588-604 review for one of the four firms Timken identified as a potential forging producer. Sumikin reported that not only did it not export subject merchandise to the United States during the POR, but it did not manufacture any TRBs or forgings for TRBs during the POR. Because this firm did not produce or export the subject merchandise, we are terminating the A-588-604 review for Sumikin. Our termination of the A-588-604 review for this firm does not constitute a revocation of the firm from the order. If this firm ever becomes a manufacturer/exporter of TRBs or forgings used in the production of TRBs, its sales to the United States will be subject to the order.

We are also terminating the A-588-054 review for Honda based on the fact that we recently revoked Honda from the A-588-054 finding in our 1992-93 TRB final results notice. See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan and TRBs, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Finding*, issued October 29, 1996.

No Shipments

Two resellers, Fuji and Honda, made no shipments of A-588-604 merchandise during the review period. In addition, neither Fuji nor Honda was

a party to the A-588-604 less-than-fair-value (LTFV) investigation or any prior administrative reviews of the A-588-604 case. Because Fuji's and Honda's shipments have never been reviewed individually, we have not assigned a rate to either firm for the A-588-604 case. If Fuji or Honda begins shipping merchandise subject to the A-588-604 order at some future date, the entries will be subject to cash deposit rates attributable to the manufacturer(s) of the subject merchandise.

Two of the four firms Timken identified as forging producers also made no shipments of A-588-604 merchandise. Showa reported that, while it made forgings used in the production of TRBs, it did not export TRBs or forgings to the United States during the review period. Nittetsu also reported that it did not export TRBs or forgings used in the production of TRBs during the review period. Because both producers (1) had no shipments of merchandise subject to the A-588-604 order during the review period, (2) were not party to the LTFV investigation, and (3) were never party to any prior administrative reviews of the A-588-604 case, we have not assigned individual rates to Showa and Nittetsu for the A-588-604 case. If Showa or Nittetsu were to begin shipping merchandise subject to the A-588-604 order at some future date, the entries will be subject to the A-588-604 LTFV "all others" cash deposit rate of 36.52 percent.

Use of Facts Available

We preliminarily determine, in accordance with section 776(a) of the Act, that the use of facts available is appropriate for Yamaha, Kawasaki, Nigata, and Suzuki in both the A-588-054 and A-588-604 cases because these firms either did not respond in any way to our antidumping questionnaire, or submitted letters stating that they decline to respond to our antidumping questionnaire. We preliminarily find that these firms have withheld "information that has been requested by the administering authority." Furthermore, we preliminarily determine that, pursuant to section 776(b) of the Act, it is appropriate to make an inference adverse to the interests of these companies because they failed to cooperate by not responding to our questionnaire. As a result, for the weighted-average dumping margins for these firms, we have used the highest rate from any prior segment of the respective A-588-054 and A-588-604 proceedings as adverse facts available, which is

secondary information within the meaning of section 776(c) of the Act.

Section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate secondary information used as facts available from independent sources reasonably at its disposal. The Statement of Administrative Action (SAA) provides that "corroborate means simply that the Department will satisfy itself that the secondary information to be used has probative value (see H.R. Doc. 316, Vol. 1, 103d Cong., 2d sess. 870 (1994)).

To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used. However, unlike other types of information, such as input costs or selling expenses, there are no independent sources for calculated dumping margins. The only source for margins is administrative determinations. Thus, in an administrative review, if the Department chooses as total adverse facts available a calculated dumping margin from a prior segment of the proceeding, it is not necessary to question the reliability of the margin for that time period. With respect to the relevance aspect of corroboration, however, the Department will consider information reasonably at its disposal as to whether there are circumstances that would render a margin irrelevant. Where circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin (see *Fresh Cut Flowers from Mexico; Preliminary Results of Antidumping Duty Administrative Review*, 60 FR 49567 (February 22, 1996), where we disregarded the highest margin in the case as adverse best information available because the margin was based on another company's uncharacteristic business expense resulting in an extremely high margin).

For these preliminary results, we have examined the history of the A-588-054 and A-588-604 cases and have determined that 47.63 percent, the rate we calculated for Koyo in the 1987-88 A-588-054 review, is the highest calculated rate for any firm in any prior segment of the A-588-054 finding, and that 40.37 percent, the rate we calculated for NSK Corporation in the 1988-89 A-588-604 review, is the highest calculated rate for any firm in any prior segment of the A-588-604 order. In addition, we have examined the circumstances surrounding the calculation of these two rates and have determined that there is no reliable evidence on the administrative records

for the reviews in which these rates were calculated which indicates that these margins are irrelevant or inappropriate. As a result, for these preliminary results we have used 47.63 percent in the A-588-054 case and 40.37 percent in the A-588-604 case as total adverse facts available for Yamaha, Kawasaki, Nigata, and Suzuki.

Constructed Export Price

Because all of Koyo's sales and certain of Fuji's sales of subject merchandise were first sold to unrelated purchasers after import into the United States, in calculating U.S. price we used constructed export price (CEP) for all of Koyo's sales and certain of Fuji's sales, as defined in section 772(b) of the Act.

We based CEP on the packed, delivered price to unrelated purchasers in the United States. We made deductions, where appropriate, for discounts, billing adjustments, freight allowances, and rebates. Pursuant to section 772(c)(2)(A) of the Act, we reduced this price for movement expenses (Japanese pre-sale inland freight, Japanese post-sale inland freight, international air and/or ocean freight, marine insurance, Japanese brokerage and handling, U.S. inland freight from the port to the warehouse, U.S. inland freight from the warehouse to the customer, U.S. duty, and U.S. brokerage and handling). We also reduced the price, where applicable, by an amount for the following expenses incurred in the selling of the merchandise in the United States pursuant to section 772(d)(1): commissions to unrelated parties, U.S. credit, payments to third parties, U.S. repacking expenses, and indirect selling expenses (which included, where applicable, inventory carrying costs, indirect warehouse expenses, indirect advertising expenses, indirect technical services expenses, pre-sale warehousing expenses, other U.S.-incurred indirect selling expenses, and indirect selling expenses incurred by the Japanese parent related to commercial activity in the United States). Finally, pursuant to section 772(d)(3), we further reduced USP by an amount for profit to arrive at CEP.

Because certain of Fuji's sales of subject merchandise were made to unrelated purchasers in the United States prior to importation into the United States, in accordance with section 772(a) of the Act, we used export price (EP) for these sales. We calculated EP as the packed, delivered price to unrelated purchasers in the United States. In accordance with section 772(c)(2)(A) of the Act, we reduced this price by Japanese pre-sale

inland freight, Japanese post-sale inland freight, international air and/or ocean freight, marine insurance, Japanese brokerage and handling, U.S. brokerage and handling, U.S. duty, and U.S. inland freight.

Where appropriate, in accordance with section 772(d)(2) of the Act, the Department also deducts from USP the cost of any further manufacture or assembly in the United States, except where the special rule provided in section 772(e) of the Act is applied. With respect to Koyo, there was no further manufacturing of A-588-054 TRBs by Koyo in the United States during the review period and, as a result, an adjustment for value added in the United States was unnecessary. With respect to Fuji, its two U.S. affiliates, Subaru of America (SOA) and Subaru-Isuzu Automotive (SIA), both import TRBs into the United States which were first purchased by Fuji from Japanese producers in Japan. While SOA imported TRBs during the review period for the sole purpose of reselling the bearings as replacement parts for Subaru automobiles in the United States, SIA imported TRBs for the sole purpose of using them in its production of Subaru automobiles in the United States, the final product sold by SIA to the first unaffiliated customer in the United States. As a result, we requested information from Fuji and SIA concerning this further manufacture and have determined that the special rule for merchandise with value added after importation under section 772(e) of the Act applies to Fuji.

Section 772(e) of the Act provides that, where the subject merchandise is imported by an affiliated person and the value added in the United States by the affiliated person is likely to exceed substantially the value of the subject merchandise, we shall determine the CEP for such merchandise using the price of identical or other subject merchandise if there is a sufficient quantity of sales to provide a reasonable basis for comparison and we determine that the use of such sales is appropriate. If there is not a sufficient quantity of such sales or if we determine that using the price of identical or other subject merchandise is not appropriate, we may use any other reasonable basis to determine CEP.

To determine whether the value added in the United States by SIA is likely to exceed substantially the value of the subject merchandise, we estimated the value added based on the differences between the averages of the prices charged to the first unaffiliated U.S. customer for the final merchandise sold (the automobiles) and the averages

of the prices paid for the subject merchandise (the imported TRBs) by the affiliated person. Based on this analysis and information on the record, we determined that the value of the TRBs further processed by SIA in the United States was a minuscule amount of the price charged by SIA to the first unaffiliated customer for the automobiles it sold in the United States. Therefore, we determined that the value added is likely to exceed substantially the value of the subject merchandise. Accordingly, it was unnecessary for us to make an adjustment for value added in the United States. In addition, we have determined that those sales of TRBs made by SOA as replacement parts in the United States, which constitute sales of merchandise identical and/or most similar to those TRBs imported by SIA for use in the manufacture of Subaru automobiles, were made in sufficient quantities to provide a reasonable basis for comparison. Therefore, for purposes of determining dumping margins for the TRBs entered by SIA and used in the production of automobiles, we have used the weighted-average dumping margins we calculated on sales of identical or other subject merchandise sold by SOA as replacement TRBs to unaffiliated persons in the United States.

No other adjustments to USP were claimed or allowed.

Normal Value

A. Viability

Based on (1) Our comparison of the aggregate quantity of home market and U.S. sales, (2) the absence of any information that a particular market situation in the exporting country does not permit a proper comparison, and (3) the fact that each company's quantity of sales in the home market was greater than five percent of its sales to the U.S. market, we determined that the quantity of the foreign like product for Fuji and Koyo sold in the exporting country was sufficient to permit a proper comparison with the sales of subject merchandise to the United States pursuant to section 773(a) of the Act. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the prices at which the foreign like products were first sold for consumption in the exporting country.

B. Arm's-Length Sales

We excluded from our analysis those sales Koyo and Fuji made to affiliated customers in the home market which were not at arm's length. We determined the arm's-length nature of Koyo's and

Fuji's home market sales to affiliated parties by means of our 99.5 percent arm's-length test in which we calculated, for each model, the percentage difference between the weighted-average prices to the affiliated customer and all unaffiliated customers and then calculated, for each affiliated customer, the overall weighted-average percentage difference in prices for all models purchased by the customer. If the overall weighted-average price ratio for the affiliated customer was equal to or greater than 99.5 percent, we determined that all sales to this affiliated customer were at arm's length. Conversely, if the ratio for a customer was less than 99.5 percent, we determined that all sales to the affiliated customer were not at arm's length because, on average, the customer paid less than unaffiliated customers for the same merchandise. Therefore, we excluded all sales to the customer from our analysis. Where we were unable to calculate an affiliated customer ratio because identical merchandise was not sold to both affiliated and unaffiliated customers, we were unable to determine if these sales were at arm's length and, therefore, excluded them from our analysis (see *Stainless Steel Wire Rods from France: Preliminary Results of Antidumping Duty Administrative Review* (61 FR 8915 (March 6, 1996))).

C. Cost of Production Analysis

Because we disregarded sales below the cost of production (COP) in our last completed A-588-054 review for Koyo, we have reasonable grounds to believe or suspect that sales of the foreign like product under consideration for the determination of NV in this review may have been made at prices below the COP, as provided by section 773(b)(2)(A)(ii) of the Act (see *Final Results of Antidumping Duty Administrative Reviews: Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan*, 58 FR 64720 (December 9, 1993)). Therefore, pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of sales by Koyo.

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the costs of materials and fabrication employed in producing the foreign like product, plus selling, general, and administrative expenses (SG&A) and the cost of all expenses incidental to placing the foreign like product in condition packed ready for shipment. We relied on the home market sales and COP information

provided by Koyo in its questionnaire responses.

After calculating COP, we tested whether home market sales of TRBs were made at prices below COP within an extended period of time in substantial quantities and whether such prices permit the recovery of all costs within a reasonable period of time. We compared model-specific COPs to the reported home market prices less any applicable movement charges, discounts, or rebates.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's home market sales for a model are at prices less than the COP, we do not disregard any below-cost sales of that model because we determine that the below-cost sales were not made within an extended period of time in "substantial quantities." Where 20 percent or more of a respondent's home market sales of a given model are at prices less than COP, we disregard the below-cost sales because they are (1) Made within an extended period of time in substantial quantities in accordance with sections 773(b)(2) (B) and (C) of the Act, and (2) based on comparisons of prices to weighted-average COPs for the POR, were at prices which would not permit the recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Act.

The results of our cost test for Koyo indicated that for certain home market models less than 20 percent of the sales of the model were at prices below COP. We therefore retained all sales of the model in our analysis and used them as the basis for determining NV. Our cost test for Koyo also indicated that within an extended period of time (one year, in accordance with section 773(b)(2)(B) of the Act), for certain home market models more than 20 percent of the home market sales were sold at prices below COP. In accordance with section 773(b)(1) of the Act, we therefore excluded these below-cost sales from our analysis and used the remaining above-cost sales as the basis for determining NV.

D. Product Comparisons

For both Fuji and Koyo we compared U.S. sales with contemporaneous sales of the foreign like product in the home market. We considered bearings identical on the basis of nomenclature and determined most similar TRBs using our sum-of-the-deviations model-match methodology which compares TRBs according to the following five physical criteria: inside diameter, outside diameter, width, load rating, and Y2 factor. For Koyo we used a 20

percent difference-in-merchandise (difmer) cost deviation cap as the maximum difference in cost allowable for similar merchandise, which we calculated as the absolute value of the difference between the U.S. and home market variable costs of manufacturing divided by the U.S. total cost of manufacturing. Because Fuji, a reseller, was unable to provide the variable and total costs of manufacturing for the TRBs it purchased from Japanese producers, it instead provided its acquisition cost for each TRB model it purchased from Japanese producers. As a result, consistent with our practice in past TRB reviews for Fuji, we used these acquisition costs as the basis for our 20-percent difmer cap (see, e.g., *Tapered Roller Bearings and Part Thereof, Finished and Unfinished, From Japan and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan: Preliminary Results of Administrative Reviews and Termination in Part*, 61 FR 25200 (May 20, 1996)).

E. Level of Trade

As set forth in section 773(a)(1)(B)(i) of the Act and in the SAA at 829-831, to the extent practicable, the Department will calculate NV based on sales at the same level of trade as the U.S. sales. When we are unable to find sales of the foreign like product in the comparison market at the same level of trade as the U.S. sale, we may compare U.S. sales to sales at a different level of trade in the comparison market.

In accordance with section 773(a)(7)(A) of the Act, if sales at allegedly different levels of trade are compared, we will adjust the NV to account for the difference in levels of trade if two conditions are met. First, there must be differences between the actual selling activities performed by the exporter at the level of trade of the U.S. sale and the level of trade of the comparison market sales used to determine NV. Second, the differences between levels of trade must affect price comparability as evidenced by a pattern of consistent price differences between sales at the different levels of trade in the market in which NV is determined.

Section 773(a)(7)(B) of the Act establishes that a CEP "offset" may be made when two conditions exist: (1) NV is established at a level of trade which constitutes a more advanced stage of distribution than the level of trade of the CEP, and (2) the data available do not provide an appropriate basis for a level-of-trade adjustment.

In order to determine that there is a difference in level of trade, the Department must find that two sales

have been made at different phases of marketing, or the equivalent. Different phases of marketing necessarily involve differences in selling functions, but differences in selling functions (even substantial ones) are not alone sufficient to establish a difference in the level of trade. Similarly, seller and customer descriptions (such as "distributor" and "wholesaler") are useful in identifying different levels of trade, but are insufficient to establish that there is a difference in the level of trade.

In implementing these principles in these reviews, we asked Fuji and Koyo to provide detailed information concerning their selling activities/functions for each claimed phase of marketing and to establish any claimed levels of trade based on these activities. In order to determine whether separate levels of trade actually existed within or between the U.S. and home markets, we reviewed the selling activities associated with each phase of marketing claimed by Fuji and Koyo. Pursuant to section 773(a)(1)(B)(i) of the Act and the SAA at 827, in identifying levels of trade for EP and home market sales we considered the selling functions reflected in the starting price before any adjustments. For CEP sales we considered only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. Whenever sales were made by or through an affiliate company or agent, we considered all selling activities of both affiliated parties, except for those selling activities related to expenses deducted under section 772(d) of the Act in CEP situations.

In reviewing the selling functions reported by Fuji and Koyo, we considered all types of selling activities performed. In analyzing whether separate levels of trade existed in these reviews, we found that no single selling function in the bearings industry was sufficient to indicate a separate level of trade (*see Notice of Proposed Rulemaking and Request for Public Comments*, 61 FR 7307, 7348 (February 27, 1996)). In addition, in determining whether separate levels of trade existed in or between the U.S. and home markets, we analyzed the selling activities associated with the phases of marketing the respondents reported and expected the functions and activities of the seller to be similar if a respondent claimed levels of trade to be the same. Conversely, if the party claimed that levels of trade were different for different groups of sales, we expected the functions and activities of the seller to be dissimilar.

Koyo reported two different phases of marketing, original equipment

manufacturers (OEM) and after-market (AM), in both its U.S. and home markets. Based on our analysis of the information of the record concerning the selling activities associated with each of Koyo's claimed home market phases of marketing, we found significant differences in the advertising, inventory maintenance, and sales and marketing support activities performed and, to a lesser degree, differences in other selling activities as well. As a result, we determined that Koyo's claimed phases of marketing constituted two separate home market levels of trade.

While Fuji sold to both related and unrelated dealers in Japan, it reported that there were no significant differences in the selling activities it performed when selling to each group and claimed only one phase of marketing in the home market. Based on our examination of the information supplied by Fuji, we agree that only one phase of marketing exists and have therefore determined that there is only one level of trade for Fuji in the home market.

With respect to Koyo's U.S. sales, which were all CEP sales, Koyo reported two different phases of marketing based on the starting price of the CEP sales made by its affiliated reseller to unaffiliated U.S. customers. Likewise, Fuji reported three phases of marketing for its U.S. CEP sales based on the starting price for the CEP sales made by its affiliated reseller to unaffiliated customers in the United States. While we recognize that Koyo's and Fuji's affiliated resellers performed different selling activities in association with the reported phases of marketing such that different U.S. levels of trade exist based on the price to the unaffiliated U.S. customer (*i.e.*, the CEP starting price), in CEP situations we do not determine the U.S. level of trade on the basis of the CEP starting price. Rather, as described above, in CEP situations we determine the U.S. level of trade on the basis of the CEP starting price minus the expenses and profit deducted pursuant to section 772(d) of the Act (*i.e.*, the level of trade of the CEP sale). Therefore, in order to determine the U.S. level of trade for Koyo's and Fuji's CEP sales, we examined those selling expenses Koyo and Fuji performed in association with the phase of marketing from the foreign parent to the affiliated reseller and, regardless of the level of trade of the CEP starting price, found no significant differences in the functions either Koyo or Fuji performed when selling to its respective U.S. affiliate. As a result, we determined that there was only one U.S. level of trade for both Koyo's and Fuji's CEP sales.

In regard to its EP sales, Fuji identified two categories of U.S. EP sales: those to certain independent distributors in the United States where the merchandise is directly shipped from Japan and the paperwork is processed by, and certain selling functions are performed by, Fuji's related affiliate SOA, and those direct sales to an independent dealer/distributor in Hawaii. In determining whether separate levels of trade existed between these two phases, we examined the selling functions as reflected in the starting price to the unaffiliated U.S. customer and found that Fuji provided very limited selling functions to the Hawaiian dealer/distributor as compared to the independent distributors. As a result, we have determined that Fuji's EP sales constitute two separate U.S. EP levels of trade.

When we compared the level of trade of Koyo's CEP sales to Koyo's home market levels of trade we found that the record indicated that the level of trade of the CEP sales involved little or no technical services, engineering services, advertising, after-sales services, or strategic planning and, as a result, was different from either of the home market levels and also at a less advanced stage of distribution than sales at either of the home market levels. Likewise, when we compared the level of trade of Fuji's CEP sales to its home market level of trade, the record again indicated that the CEP sales involved little or no technical services, engineering services, after-sale services, or advertising and were at a less advanced stage of distribution than the sales at the home market level of trade. Upon comparing Fuji's sales at its two U.S. EP levels of trade to its sales at its home market level we found that the selling functions at its home market level of trade included strategic/economic planning services, training and personnel services, and technical services which were not characteristic of the U.S. EP levels of trade. Consequently, because we were unable to find the same levels of trade in the home market as in the United States for both respondents, we were unable to match Fuji's and Koyo's U.S. CEP sales and Fuji's EP sales at the same level of trade in the home market.

When we are unable to find sales of the foreign like product in the home market at the same level of trade as that of the CEP or EP sales, we examine whether a level-of-trade adjustment is appropriate. Because the same level of trade as Koyo's and Fuji's CEP level and Fuji's EP levels did not exist in their home markets, we lacked the data necessary to determine whether there

was a consistent pattern of price differences between levels of trade based on Koyo's and Fuji's home market sales of merchandise under review, in accordance with section 773(a)(7)(A) of the Act. However, the SAA states that "if information on the same product and company is not available, the adjustment may also be based on sales of other products by the same company. In the absence of any sales, including those in recent time periods, to different levels of trade by the exporter or producer under investigation, Commerce may further consider the selling experience of other producers in the home market for the same product or other products" (see SAA at 830). Accordingly, we examined these alternative methods for calculating the level-of-trade-adjustment for Koyo and Fuji, but we lacked the information that would allow us to apply them. Because the data available do not provide an appropriate basis for making a level-of-trade adjustment for Koyo or Fuji, but Koyo's and Fuji's respective home market levels of trade are at a more advanced stage of distribution than the level of trade of their respective CEP sales, a CEP offset adjustment, in accordance with section 773(a)(7)(B) of the Act, is appropriate. Both respondents claimed a CEP offset adjustment and we applied the offset to NV in our CEP comparisons for Koyo and Fuji.

F. Home Market Price

While we found below-cost home market sales for Koyo, Koyo's remaining home market sales at or above cost were sufficient to serve as the basis for NV.

We based home market prices on the packed, ex-factory or delivered prices to affiliated purchasers (where an arm's-length relationship was demonstrated) and unaffiliated purchasers in the home market. We made adjustments for differences in packing and for movement expenses in accordance with sections 773(a)(6) (A) and (B) of the Act. In addition, we made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(II) of the Act, and for differences in circumstances of sale (COS) in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 353.56. For comparison to EP we made COS adjustments by deducting home market direct selling expenses and adding U.S. direct selling expenses. For comparisons to CEP, we made COS adjustments to NV by deducting home market direct selling expenses and, where applicable, adding U.S. direct selling expenses, except those deducted

from the starting price in calculating CEP pursuant to section 772(d) of the Act. We also made adjustments, where applicable, for home market indirect selling expenses to offset U.S. commissions in EP and CEP calculations.

While both Koyo and Fuji claimed certain post-sale price adjustments to their reported home market prices, we have not allowed these adjustments, as explained in detail in the proprietary versions of our 1994-95 preliminary results analysis memoranda for Koyo and Fuji.

No other adjustments were claimed or allowed.

Fair Value Comparisons

To determine whether sales of TRBs by the respondents in the United States were made at less than fair value, we compared the CEP and EP to NV, as described in the "United States Price" and "Normal Value" sections of this notice. In accordance with section 777A(d)(2) of the Act, we calculated monthly weighted-average prices for NV and compared these monthly averages to individual U.S. sales transactions. For Koyo, which had two phases of marketing in the home market, we first calculated monthly weighted-average NVs for the phase of marketing in the home market which was most comparable to that in which the U.S. transaction was made (as defined by the price to the first unrelated U.S. customer). Then, to the extent possible, we compared CEP to this NV. Alternatively, where there were no home market sales in the phase of marketing most comparable to the U.S. sale, we weight-averaged home market sales for the other home market phase of distribution and compared CEP to this NV (see, e.g., *Stainless Steel Wire Rods from France: Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 8015 (March 6, 1996) and *Fresh Kiwifruit from New Zealand: Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 15922 (April 10, 1996)). In regard to Fuji, which sold in only one home market channel of distribution, we compared CEP and EP to the monthly weighted-average NVs we calculated for this single channel of distribution.

Preliminary Results of Review

As a result of our reviews, we preliminarily determine the following weighted-average dumping margins exist for the period October 1, 1994, through September 30, 1995:

Manufacturer/exporter/reseller	Margin (percent)
For the A-588-054 Case:	
Koyo Seiko	31.25
Fuji	11.35
Kawasaki	47.63
Yamaha	47.63
Nigata	47.63
Suzuki	47.63
For the A-588-604 Case:	
Fuji	(1)
Honda	(1)
Kawasaki	40.37
Yamaha	40.37
Nigata	40.37
Suzuki	40.37
Nittetsu	(1)
Showa Seiko	(1)

¹ No shipments or sales subject to this review. The firm has no rate from any prior segment of this proceeding.

Parties to these proceedings may request disclosure within five days of the date of publication of this notice and may request a hearing within ten days of publication. Any hearing, if requested, will be held 44 days after the date of publication, or the first business day thereafter. Case briefs and/or written comments from interested parties may be submitted no 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 no later than 37 days after the date of publication of this notice. Parties who submit argument in these proceedings are requested to submit with the argument (1) a statement of the issues and (2) a brief summary of the argument. The Department will issue final results of these administrative reviews, including the results of our analysis of the issues in any such written comments or at a hearing, within 180 days of issuance of these preliminary results.

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

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

(1) The cash deposit rates for the reviewed companies will be those rates

established in the final results of these reviews;

(2) For previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period;

(3) If the exporter is not a firm covered in these reviews, a prior review, or the LTFV investigations, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and

(4) If neither the exporter nor the manufacturer is a firm covered in these or any previous reviews conducted by the Department, the cash deposit rate for the A-588-054 case will be 18.07 percent, and 36.52 percent for the A-588-604 case (see *Preliminary Results of Antidumping Duty Administrative Reviews; Tapered Roller Bearings, Finished and Unfinished, and Parts Thereof, from Japan and Tapered Roller Bearings, Four Inches or less in Outside Diameter, and Components Thereof, From Japan*, 58 FR 51058, 51061 (September 30, 1993)).

All U.S. sales by each respondent will be subject to one deposit rate according to the proceeding.

The cash deposit rate has been determined on the basis of the selling price to the first unrelated customer in the United States. For appraisal purposes, where information is available, the Department will use the entered value of the subject merchandise to determine the appraisal rate.

This notice serves as a preliminary reminder to importers of their responsibility 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. These administrative reviews and this notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: October 30, 1996.

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

[FR Doc. 96-28559 Filed 11-5-96; 8:45 am]

BILLING CODE 3510-DS-P

University of California, et al.; Notice of Consolidated Decision on Applications for Duty-Free Entry of Scientific Instruments

This is a decision consolidated pursuant to Section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89-651, 80 Stat. 897; 15 CFR part 301). Related records can be viewed between 8:30 A.M. and 5:00 P.M. in Room 4211, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C.

Comments: None received. Decision: Approved. No instrument of equivalent scientific value to the foreign instruments described below, for such purposes as each is intended to be used, is being manufactured in the United States.

Docket Number: 96-091. Applicant: University of California, San Diego, La Jolla, CA 92093-0931. Instrument: Digital Sleep Recorder, Model VitaPort 2. Manufacturer: TEMEC Instruments BV, The Netherlands. Intended Use: See notice at 61 FR 49113, September 18, 1996. Reasons: The foreign instrument provides: (1) electronic measurements of electrophysical (e.g. EEG and EOG) and cardiorespiratory (e.g. ECG and RIP-THOR) parameters and (2) minimized weight, power consumption and physical dimensions appropriate for space flight. Advice received from: National Institutes of Health, September 10, 1996.

Docket Number: 96-092. Applicant: University of Pittsburgh Medical Center, Pittsburgh, PA 15213-2582. Instrument: Microvolume Stopped-Flow Spectrometer, Model SX.18MV. Manufacturer: Applied Photophysics, Ltd., United Kingdom. Intended Use: See notice at 61 FR 49113, September 18, 1996. Reasons: The foreign instrument provides: (1) a vertical flow circuit for loading solutions of different osmolalities into its injection ports and (2) low temperature capability (-5°C) for analysis of temperature sensitive yeast strains. Advice received from: National Institutes of Health, September 10, 1996.

The National Institutes of Health advises in its memoranda that (1) the capabilities of each of the foreign instruments described above are pertinent to each applicant's intended purpose and (2) it knows of no domestic instrument or apparatus of equivalent scientific value for the intended use of each instrument.

We know of no other instrument or apparatus being manufactured in the United States which is of equivalent

scientific value to either of the foreign instruments.

Frank W. Creel,

Director, Statutory Import Programs Staff.

[FR Doc. 96-28553 Filed 11-05-96; 8:45 am]

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Applications for Duty-Free Entry of Scientific Instruments

Pursuant to Section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89-651; 80 Stat. 897; 15 CFR part 301), we invite comments on the question of whether instruments of equivalent scientific value, for the purposes for which the instruments shown below are intended to be used, are being manufactured in the United States.

Comments must comply with 15 CFR 301.5(a)(3) and (4) of the regulations and be filed within 20 days with the Statutory Import Programs Staff, U.S. Department of Commerce, Washington, D.C. 20230. Applications may be examined between 8:30 A.M. and 5:00 P.M. in Room 4211, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C.

Docket Number: 96-110. Applicant: University of Connecticut Health Center, 263 Farmington Avenue, Farmington, CT 06030-3505. Instrument: High Intensity Xenon Flashlamp, Model XF-10. Manufacturer: Hi-Tech Ltd., United Kingdom. Intended Use: The instrument will be used to characterize IP₃ induced calcium release in megakaryocytes during experiments to characterize the mechanisms of action of prostacyclin. Application accepted by Commissioner of Customs: October 10, 1996.

Docket Number: 96-111. Applicant: University of North Carolina at Chapel Hill, CB# 3270, 118 Davie Hall, Chapel Hill, NC 27599-3270. Instrument: 4 each Operant Boxes with 9-Hole Nosepoke Wall. Manufacturer: Paul Fray Ltd., United Kingdom. Intended Use: The instrument will be used for studies of the neural basis of attention in rodents using previously developed research paradigms. Application accepted by Commissioner of Customs: October 17, 1996.

Docket Number: 96-112. Applicant: Harvard University, Harvard Medical School, CBBSM, Mudd Building, Room 106, 250 Longwood Avenue, Boston, MA 02115. Instrument: Stopped-Flow Spectrometer, Model SX.18MV. Manufacturer: Applied Photophysics Ltd., United Kingdom. Intended Use: The instrument will be used to examine the mechanisms of a number of zinc