Dated: November 14, 1996.
Robert S. LaRussa,
Acting Assistant Secretary for Import Administration.
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[A–351–820]

Ferrosilicon From Brazil; 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 May 8, 1996, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on Ferrosilicon from Brazil. The review covers exports of this merchandise to the United States by one manufacturer/exporter, Companhia de Ferro Ligas da Bahia (Ferbasa), for the period August 16, 1993 through February 28, 1995.

We gave interested parties an opportunity to comment on our preliminary results. Based on our analysis of the comments received, we have revised our calculations for these final results.

EFFECTIVE DATE: November 22, 1996.

FOR FURTHER INFORMATION CONTACT: Wendy Frankel, Office of AD/CVD Enforcement, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–5849.

SUPPLEMENTARY INFORMATION:

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 to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, as amended by the interim regulations published in the Federal Register on May 11, 1995 (60 FR 25130).

Background

On May 8, 1996, the Department (the Department) published in the Federal Register (61 FR 20793) the preliminary results of its administrative review of the antidumping duty order on ferrosilicon from Brazil. The antidumping duty order on ferrosilicon from Brazil was published March 14, 1994 (59 FR 11769). The review covers the period August 16, 1993 through February 28, 1995.

Scope of the Review

The merchandise subject to this review is ferrosilicon, a ferroalloy generally containing, by weight, not less than four percent iron, more than eight percent but not more than 96 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than three percent phosphorous, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element.

Ferrosilicon is a ferroalloy produced by combining silicon and iron through smelting in a submerged-arc furnace. Ferrosilicon is used primarily as an alloying agent in the production of steel and cast iron. It is also used in the steel industry as a deoxidizer and a reducing agent, and by cast iron producers as an inoculant.

Ferrosilicon is differentiated by size and by grade. The sizes express the maximum and minimum dimensions of the lumps of ferrosilicon found in a given shipment. Ferrosilicon grades are defined by the percentages by weight of contained silicon and other minor elements. Ferrosilicon is most commonly sold to the iron and steel industries in standard grades of 75 percent and 50 percent ferrosilicon. Calcium silicon, ferrocalcium silicon, and magnesium ferrosilicon are specifically excluded from the scope of this review.

Calcium silicon is an alloy containing, by weight, not more than five percent iron, 60 to 65 percent silicon, and 28 to 32 percent calcium. Ferrocalcium silicon is a ferroalloy containing, by weight, not less than four percent iron, 60 to 65 percent silicon, and more than 10 percent calcium. Magnesium ferrosilicon is a ferroalloy containing, by weight, not less than four percent iron, not more than 55 percent silicon, and not less than 2.75 percent magnesium.

Ferrosilicon is currently classifiable under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 7202.21.1000, 7202.21.5000, 7202.21.7500, 7202.21.9000, 7202.29.0010, and 7202.29.0050. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this review is dispositive.

Ferrosilicon in the form of slag is included within the scope of this review if it meets, in general, the chemical content definition stated above and is capable of being used as ferrosilicon. Parties that believe their importations of slag do not meet these definitions should contact the Department and request a scope determination.

Analysis of Comments Received

We received case and rebuttal briefs from the petitioners, Aimcor and SKW Metals & Alloys, Inc. and from the respondent, Ferbasa. At the request of the petitioners, we held a hearing on June 26, 1996.

Comment 1: The petitioners argue that Brazil's economy was hyperinflationary during the period of review (POR). According to the petitioners, over the 18½ month POR the inflation rate in Brazil was 3,927 percent which greatly exceeds the Department's 60 percent threshold for determining if an economy is hyperinflationary. Petitioners agree with Ferbasa, however, that during the six-month period (September 1994 through February 1995) for which Ferbasa reported sales and cost data, inflation rates in Brazil were below the hyperinflationary levels. Notwithstanding this fact, petitioners argue that inflation rates in Brazil were between 38.86 percent and 44.78 percent per month during the preceding seven months, all of which are in the POR, and that Ferbasa's reported direct materials costs were distorted by this hyperinflation since the materials are inventoried and valued at the time of purchase, but not used in production until some later time.

Petitioners claim that respondent's own data shows that monthly inventory costs increased dramatically over the inflation rate for this period and thus demonstrates the resultant distortion. To eliminate the distortive effects of hyperinflation on Ferbasa's direct materials costs during the POR, the petitioners argue that for the final results, the Department should follow its established hyperinflationary economy practice of determining monthly costs of production (COP), constructed values (CV) and normal value (NV).

Citing the *Final Determination of Sales at Less Than Fair Value: Silicon Metal from Brazil,* 56 FR 26,979 (June 12, 1991) (*Silicon Metal from Brazil, LTFV),* the petitioners contend that the Department should follow its established practice and use replacement costs rather than historical costs when evaluating dumping from a hyperinflationary economy.

Ferbasa asserts that in its April 10, 1996 submission it provided substantial evidence to support its contention that

Brazil was not a hyperinflationary economy during the relevant portion of this review period. Citing petitioners' June 10, 1996, case brief (p. 29), Ferbasa notes that petitioners acknowledged that Brazil's economy was not hyperinflationary during the six months for which Ferbasa reported home market sales and cost data. Ferbasa argues that for these reasons the Department should continue to use six-month weighted average costs for the final results of review.

Department's Position: Petitioners seek to invoke the Department's practice in hyperinflationary economies, which calls for the use of replacement costs in calculating the cost of production. This methodology recognizes that in a hyperinflationary economy it is not useful to evaluate operating results and financial position in the local currency without restatement. Money loses purchasing power at such a rate that comparison of amounts from transactions and other events occurring at different times is misleading. In cases where the respondent experiences hyperinflation in the comparison market during the period of review (POR), the Department requires that the respondent report current costs for the calculation of COP and CV. This methodology entails valuing any materials used to produce the subject merchandise at the average purchase price of those materials during the month of consumption (*i.e.,* the normal inventory value of raw materials is replaced by the average purchase price for the month in which the materials were consumed). Labor and overhead costs are reported at the actual monthly amount incurred during the month of shipment. See *Final Determination of Sales at Less Than Fair Value: Silicomanganese from Venezuela,* 59 FR 55,437, 55441 (November 7, 1994); *Final Determination of Sales at Less Than Fair Value: Nitrocellulose from Yugoslavia,* 55 FR 34,946 (August 27, 1990) and *Tubeless Steel Disc Wheels from Brazil* 52 FR 6947 (March 20, 1987).

In the present case, the sales at issue occurred during the last six months of the review period (*i.e.,* September 1, 1994 through February 28, 1995). The Brazilian economy experienced significant inflation from September 1993 through June 1994. However, based on our examination of the annualized rate of inflation for September 1994 through February 1995, we have determined that there was no hyperinflation during this time, as the annualized rate of inflation for this six-month period was less than 20 percent. Petitioners' arguments that raw materials consumed during the segment of the review period where costs are calculated may have been purchased during a period of hyperinflation is speculative and not supported by facts on the record of this case. The home market sales in question occurred fully two months after the period of hyperinflation ended. We concluded that, based upon the company's inventory turnover rate of approximately one month, Ferbasa produced ferrosilicon for these sales at most approximately one month earlier (*i.e.,* at a time when the Brazilian economy was not hyperinflationary). Therefore, because the record supports the conclusion that sales in question were produced in a non-hyperinflationary period, we can reasonably conclude, absent evidence to the contrary, that the costs were not distorted by hyperinflation. Accordingly, consistent with the Department's policy, we have not applied a current cost methodology because hyperinflation did not affect the cost of the sales at issue. See the *Preliminary Results of Antidumping Duty Administrative Review: Gray Portland Cement and Clinker from Mexico,* 61 FR 51676, 51681 (October 3, 1996).

Comment 2: The petitioners contend that Ferbasa failed to follow the Department's explicit instructions to report replacement costs for purposes of calculating COP and CV. The petitioners note that in its original cost response, Ferbasa stated that there were no differences between the costs maintained in Ferbasa's normal cost accounting and financial accounting system and the costs submitted to the Department. The petitioners further note that Ferbasa stated that the costs recorded in its accounting system are historical costs. According to the petitioners, Ferbasa stated that for purposes of reporting costs to the Department, it used a weighted-average monthly cost of inventory (that had not been adjusted for inflation) which the company explained ''is essentially the weighted-average purchase price of each material at the time the material is placed in inventory.'' In other words the petitioners argue, Ferbasa reported historical material costs.

Although Ferbasa stated that it had reported materials costs on a replacement cost basis in its supplemental cost response, petitioners assert that the reported direct materials costs in that response were identical to the costs reported in the original cost response. Finally, petitioners contend that had Ferbasa reported replacement costs, such costs would be expected to fluctuate at approximately the same rate as inflation; however, Ferbasa's reported materials costs did not appear to do this. Petitioners conclude, therefore, that Ferbasa did not report replacement costs.

Ferbasa contends that the monthly materials cost data provided in its COP responses reflect current material input prices for each month. Ferbasa states that the petitioners' contented that Ferbasa's monthly direct materials costs from September 1994 through February 1995 far exceeded the rate of inflation of 10 percent is misleading and deceptive. According to Ferbasa, the petitioners wrongfully based their contention on the total consumption value of direct materials used in the production of ferrosilicon as reported in Exhibit D–14 of Ferbasa's March 27, 1996, supplemental COP response. Ferbasa argues that the total consumption value of each material input reported therein depends on the quantity of the material input used in the production of ferrosilicon and reveals nothing regarding the average price of these materials in each month. Thus, Ferbasa contends that the petitioners' assertion is without basis and should be rejected outright.

Department's Position: The Department has determined not to treat Brazil as a hyperinflationary economy in this review and therefore it is not appropriate to use a replacement cost methodology for purposes of determining material costs. (*See* the Department's position with regard to Comment 1.) Thus, the failure to report replacement costs is moot because the information is not necessary.

With regard to the costs reported by Ferbasa in its questionnaire response, we note that Ferbasa has repeatedly stated that it reported costs directly from its internal books and records; these books and records are kept in a manner that is consistent with Brazilian generally accepted accounting principles (GAAP). It is established Department practice to accept costs taken directly from a respondent's accounting system when that system is in accordance with the foreign country's GAAP and it is clear that the figures reported do not distort the dumping calculations. *See* section 773(f)(1)(A) of the Act and the Statement of Administrative Action (H.R. Doc. No. 316, Vol. I, 103rd Congress, 2nd Sess. (1994)) (SAA), pp. 164–165 *See* also, *Finally Determination of Sales at Less Than Fair Value: Certain Pasta from Italy,* 61 FR 30326, 30354 (June 14, 1996); *Final Determination of Sales at Less Than Fair Value: Fresh Cut Roses From Columbia,* 60 FR 6981 (February

6, 1995) (*Roses, LTFV*); *Final Determination of Sales at Less Than Fair Value: Small Diameter Circular Seamless Pipe from Italy,* 60 FR 31981 (June 19, 1995); *Certain cut-to-Length Carbon Steel Plate from Germany: Final Results of Antidumping Duty Administrative Review,* 61 FR 13834 (March 28, 1996); and *Final Determination of Sales at Less Than Fair Value: Certain Canned Pineapple Fruit Thailand,* 60 FR 29553 (June 5, 1995).

Comment 3: According to the petitioners, Ferbasa repeatedly failed to comply with the Department's explicit and repeated instructions to prepare a worksheet reconciling the reported cost of manufacturing (COM) for ferrosilicon to its internal books and records. The petitioners argue that Ferbasa's failure to provide this reconciliation creates serious impediment to proper analysis of the validity of Ferbasa's reported costs.

Ferbasa contends that the petitioners' allegation results from a basic misunderstanding of Ferbasa's reporting methodology, since, as stated in its March 1, 1996 COP response, Ferbasa affirms that the COM reported to the Department in response to the dumping questionnaire reflects the values in its regular accounting records (*i.e.*, the monthly inventory value and the reported monthly COMs of ferrosilicon are the same).

Department's Position: As we noted earlier, Ferbasa has stated in various earlier submissions that the cost figures reported to the Department directly reflect the costs recorded in its financial statements and thus no reconciliation is necessary since the values are the same. It is established Department practice to accept costs taken directly from a respondent's accounting system when that system is in accordance with the foreign country's GAAP and it is clear that the figures reported do not distort the dumping calculations. *See* the Department's Position with regard to Comment 2.

Comment 4: Citing section 776(a)(2) of the Act, the petitioners argue that the statute requires the Department to use the facts otherwise available ''if an interested party * * * withholds information that has been requested [or] significantly impedes a proceeding.'' Citing *Sparklers from the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review,* 61 FR 15,464–5 (April 8, 1996), petitioners contend, moreover, that the statute codifies the Department's practice of applying an adverse inference in selecting from the facts otherwise available where a party has ''failed to cooperate by not acting to the best of its ability to comply with a request for information.''

The petitioners contend that Ferbasa failed to comply with the Department's specific information requests and withheld necessary information available to it, thus significantly impeding this proceeding. More specifically, the petitioners contend that Ferbasa failed to provide: Materials replacement costs, a reconciliation of its reported costs to the inventory values in its normal books and records, supporting documentation for the reconciliation, and taxes on electricity. In addition, the petitioners assert that Ferbasa made misleading and conflicting statements regarding the basis of its reported costs. According to the petitioners, either Ferbasa did not report replacement costs, or did not provide the necessary reconciliation. Thus, petitioners conclude, under either scenario, there exists a fundamental deficiency in Ferbasa's response that ''invalidates the reported data and prevents the Department from making a proper dumping margin calculation.'' (Petitioners brief at 15).

For these reasons, argue petitioners, the Department should find Ferbasa to be a noncooperative respondent and should establish a margin based on the total adverse facts available.

Ferbasa contends that the petitioners' assertion that the Department should find Ferbasa a noncooperative respondent and determine a dumping margin for Ferbasa based on the total adverse facts available is without basis and should be rejected outright. Ferbasa contends that it has fully cooperated with the Department by responding to all the instructions in the original and supplemental questionnaires in a timely manner. Finally, Ferbasa notes that its sales and cost of production responses contain detailed information which reconciles to it's financial statements.

Department's Position: As noted in the Department's Position with regard to Comments 2 and 3, we do not agree with the petitioners' assertion that Ferbasa has failed to provide appropriate cost data. Nor do we agree that Ferbasa failed to comply with the Department's requests to a degree that results in a significant impediment to this proceeding. As discussed below, there are several items for which we do not have complete information on the record. Where this has occurred we have used the facts otherwise available to fill these minor gaps as stipulated by section 776(a)(2) of the Act. Because the gaps are not substantial and thus do not affect the integrity of the response to the missing items. In addition, we note that these facts available insertions are non-adverse, as we did not find that Ferbasa ''failed to cooperate by not acting to the best of its ability.'' See, *Final Determination of Sales at Less Than Fair Value: Pasta from Italy*, 61 FR 30326, 30329 (June 14, 1996).

We address the individual items for which we applied facts available in our discussions below in response to the comments raised by the respondent and the petitioners. However, because we used price-to-price comparisons for the preliminary results of review,neither party addressed the issue of profit for purposes of calculating CV. For profit, we used an alternative method under section 773(e)(2)(B)(iii) of the Act, because we had no information that would permit us to use any of the other alternatives under section 773(e)(2). We could not calculate the ''profit cap'' prescribed by section 773(e)(2)(B)(iii) based on sales for consumption in the ''foreign country'' of merchandise that is in the same general category of products as the subject merchandise because we had no such information. Instead, we applied section 773(e)(2)(B)(iii) on the basis of the facts available (section 776(b)(of the Act). The only information available for these final results for Ferbasa was the profit realized by the respondent as shown in the company's 1994 fiscal year audited financial statement.

Comment 5: The petitioners contend that in the preliminary results the Department improperly added the imputed credit expenses that Ferbasa reported in its revised home market sales listing to Ferbasa's home market prices before using those prices in its sales-below-cost comparison test and in determining NV.

Petitioners assert that the Department calculates home market credit expenses solely for the purpose of making a circumstance-of-sale adjustment for differences between home market and U.S. prices relating to terms of payment; no imputed credit expense adjustment to home market price is made for comparison of home market prices to COP.

Petitioners note that, in the preliminary results analysis memorandum, the Department stated that Ferbasa's reported credit costs represent ''upward adjustments to price that Ferbasa made when the payment terms of sale were in excess of 30 days,'' which should be included in the calculation of home market prices. However, petitioners also note that for sales with payment terms in excess of 30 days, Ferbasa charged its customers for late payment terms and included those charges in the reported prices.

Thus, petitioners argue, the Department should not add imputed credit expenses to home market prices for either the calculation of NV or for comparison of home market prices to COP.

Ferbasa contends that the Department incorrectly added an amount for credit expenses to the reported home market prices in its calculation of NV. Ferbasa suggests that the Department correct this error by subtracting the home market credit expense from the reported home market sales price in the calculation of NV.

Department's Position: We agree with petitioners and respondent that the Department inappropriately added credit expenses to home market prices for purposes of comparing home market prices to COP and calculating NV. For the preliminary results of review, we inaccurately concluded that the reported imputed home market credit expenses represented a charge by Ferbasa to its customers on sales with payment terms in excess of 30 days which should be added to home market prices. However, we have reviewed the record and determined that charges to customers with such payment terms were already included in the prices reported by Ferbasa.

We also agree with petitioners that no imputed expense adjustments are made to home market prices for comparison to COP. *See* the Department's March 25, 1994, Policy Bulletin 94.6 Treatment of adjustments and selling expenses in calculating the cost of production (COP) and constructed value (CV). Therefore, for these final results of review we have not added any home market credit expenses to home market sales prices in calculating NV or in comparing home market prices to COP.

Comment 6: The petitioners argue that it is inappropriate for the Department to calculate home market imputed credit expenses for Ferbasa using gross unit prices which are inclusive of credit revenues and ICMS and IPI taxes.

Petitioners state that since Ferbasa does not incur an opportunity cost with regard to late payment charges, such charges should not be included in the basis for the calculation of imputed credit expenses. Rather, the petitioners argue that imputed credit expenses should be calculated by applying the short-term borrowing rate to the period during which credit is extended to the purchaser against a price that is net of late payment charges.

Citing the *Final Determination of Sales at Less Than Fair Value: Calcium Aluminate Cement, Cement Clinker and Flux From France* (*Calcium Aluminate from France, LTFV*), 58 FR 14,13, 14,139, 14,146 (March 25, 1994), petitioners maintain that with regard to taxes, it is the Department's established practice to exclude taxes from the prices used in calculating imputed credit expenses. Thus, for the final results, the petitioners contend that the Department should exclude the amounts Ferbasa charged its customers for granting late payments terms and the amount of ICMS and IPI taxes paid from the home market prices used to calculate home market imputed credit expenses.

Ferbasa argues that in the final results the Department should continue to use the actual home market credit expenses as reported in the questionnaire response. In addition, Ferbasa supports the Department's preliminary calculation of imputed credit expenses, noting that a seller incurs an opportunity cost with regard to the total sales prices of its merchandise.

Department's Position: We agree in part with both petitioners and respondent. Concerning the issue of taxes, we note that there is no statutory or regulatory basis for including these taxes in the calculation of the credit adjustment. *See Calcium Aluminate from France, LTFV*. While there may be an opportunity cost associated with extending credit on the payment of prices inclusive of taxes, that fact alone is not a sufficient basis for the Department to make an adjustment. We note that virtually every expenses associated with sales is paid for at some point after the cost is incurred. Accordingly, for each post-service payment, there is also an opportunity cost. Thus, to allow the type of adjustment suggested by respondent would imply that in the future the Department would be faced with the impossible task of trying to determine the opportunity cost of every freight charge, rebate, and selling expense for each sale reported. This exercise would make our calculations inordinately complicated, placing an unreasonable and onerous burden on both respondents and the Department. *See also, Final Determination of Sales at Less Than Fair Value: Sulfur Dyes, Including Sulfur Vat Dyes, from the United Kingdom*, 58 FR 3253 (January 8, 1993). With regard to late payment charges, we note that Ferbasa has stated that these charges reflect the amount actually paid by the customers as part of the invoice price. The Department calculates imputed credit expenses to capture the opportunity cost associated with not having received payment and not having the merchandise. The fact that the invoice price is increased when the payment terms are in excess of 30 days does not negate the fact of the opportunity cost associated with the transaction.

Accordingly, we have recalculated home market imputed credit expenses by excluding only the ICMS and IPI taxes included in gross home market prices.

Comment 7: The petitioners note that when the Department performs an analysis of whether home markets sales were sold below cost, it compares home market prices and COP on an ''apples-to-apples'' basis. Accordingly, the Department either includes or excludes an item from both the COP and the home market prices used in the comparison. The petitioners contend, however, that the Department's preliminary results did not reflect this practice, because the home market prices used by the Department in the sales-below-cost comparison included ICMS and IPI taxes but the COP was exclusive of these same taxes. The petitioners, therefore, contend that the comparison was not an ''apples-to-apples'' basis.

To correct this error, petitioners assert that the Department should exclude the amount of these taxes from both the home market prices and the COP in the sales-below-cost test.

Department's Position: We agree with petitioners that the Department erroneously compared a tax-inclusive home market price to a tax-exclusive COP for purposes of determining sales below cost. In order to effectuate a fair comparison, it is the Department's practice to compare prices and COP on the same basis. As discussed in the March 25, 1994 policy bulletin 94.6, ''[b]oth the net COP and the net home-market prices should be on the same basis * * * otherwise, the comparison would be distorted.'' Consequently, for these final results of review, we have corrected our calculations and have compared a tax-exclusive COP to tax-exclusive home market prices.

Comment 8: The petitioners contend that in reporting transfer prices for purchases of eucalyptus charcoal from affiliated companies, Ferbasa ignored the Department's instructions to ''report the value of the actual eucalyptus charcoal consumed in production on the basis of actual costs of affiliated producers.'' The petitioners further contend that Ferbasa failed to respond to the Department's instructions to report the value of its iron ore purchased from affiliated producers on the basis of the prices charged for iron ore by unaffiliated suppliers.

The petitioners argue that these instructions are in accordance with Department practice and sections 773(f)(2) and (3) of the statute, which state that if the transfer price of a major input ''is less than the cost production of such input'' the Department may determine the value of the input ''on the basis of the * * * cost of production.''

Instead, according to the petitioners, Ferbasa calculated two incorrect adjustments to all materials costs, based on ratios relating solely to costs and prices of eucalyptus charcoal and iron ore.

For the final results, the petitioners contend that the Department should calculate monthly weighted-average costs of eucalyptus charcoal based on the COP and volume of eucalyptus charcoal purchases from affiliated suppliers and the price and volume of eucalyptus charcoal purchases from unaffiliated suppliers.

To determine the cost of iron ore consumed by Ferbasa in each month, petitioners contend that the Department should: first, determine the total monthly consumption of iron ore by dividing the reported total value of iron ore used in ferrosilicon production by the weighted-average input price reported by Ferbasa for each month; second, multiply the resultant monthly consumption of iron ore by the weighted-average monthly price paid for iron-ore from unaffiliated suppliers to derive the monthly total cost of iron ore; and third, divide this amount by the production quantity in the month to determine the per-unit cost of iron ore.

Ferbasa contends that the petitioners' comments reflect a basic misunderstanding of the methodology Ferbasa used to calculate its reported eucalyptus charcoal and iron ore costs. Ferbasa states that it has exhaustively explained its calculation methodology in its original and supplemental COP responses. Moreover, Ferbasa argues, the Department found this methodology reasonable and accepted it for its preliminary results. Ferbasa notes, however, that if the Department should decide in the alternative to recalculate the multipliers based on the ''total *volume*'' of charcoal eucalyptus and iron ore purchased from affiliated suppliers, it provided this information in Exhibits D–13 and D–15 of the supplemental COP response.

Department's Position: We agree with petitioners that Ferbasa initially misreported the material costs for eucalyptus charcoal and iron ore by partly relying on affiliated party transfer prices for these inputs that did not represent arms-length prices. We also agree that Ferbasa then inappropriately adjusted all materials costs by using multipliers based on purchases of eucalyptus charcoal and iron ore.

In accordance with sections 773(f)(2) and (3) of the Act, the Department's practice is to first test whether transfer prices between affiliated suppliers represent arm's-length transactions. For major inputs we use the transfer price if it is shown to be at arm's length and not below the cost of production; however, we use the affiliated supplier's cost of producing the input when the amount represented as the transfer price of such input is less than the cost of producing the input. *See Notice of Final Determination of Sales At Less Than Fair Value: Large Newspaper Printing Presses and Components Thereof; Whether Assembled or Unassembled from Japan*, 61 FR 38129, 38162 (July 23, 1996), and *Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products from Korea: Preliminary Results of Antidumping Duty Administrative Reviews*, 61 FR 51882, 51887 (October 4, 1996).

After reviewing the information submitted by Ferbasa in its original and supplemental COP responses, we have determined that (1) the transfer prices from the affiliated supplier used by Ferbasa in its calculation of reported materials costs for eucalyptus charcoal were below the supplier's cost of producing that major input, and (2) the transfer prices from the affiliated supplier for iron ore were not representative of market prices for that product. Consequently, we have recalculated Ferbasa's reported material costs for eucalyptus charcoal and iron ore.

Ferbasa stated that its prior submissions to the Department contain information sufficient for the Department to recalculate the reported material costs for these inputs, if necessary. We note, however, that although Ferbasa did provide certain data, it did not provide all the necessary information for such a recalculation. With regard to eucalyptus charcoal, Ferbasa provided monthly purchase prices and quantities from unaffiliated suppliers and monthly purchase quantities and COPs for affiliated suppliers. Concerning iron ore, Ferbasa provided monthly purchase prices and quantities from unaffiliated suppliers and monthly purchase quantities from affiliated suppliers. However, Ferbasa did not provide monthly inventory quantities and values for either input. Since we are not calculating materials costs using a replacement cost methodology, we would need the inventory quantities and values in order to properly recalculate the cost of these materials consumed in the production of ferrosilicon during the six-month period of September 1994 through February 1995. Thus, we are not able to calculate the actual cost of these two materials used in production during this six-month period. Therefore, we have used the facts otherwise available to determine the costs for eucalyptus charcoal and iron ore used in the production of the subject merchandise.

As the facts available, we have adjusted Ferbasa's eucalyptus charcoal costs by the monthly ratio of the affiliate's cost of producing this input to the weighted-average purchase price Ferbasa paid to affiliated and unaffiliated suppliers for the input as reported by Ferbasa in Appendix D–5 of its COP response. Similarly, we have adjusted Ferbasa's iron ore costs by the monthly ratio of average monthly purchase price charged by Ferbasa's unaffiliated supplier to the weighted-average purchase price Ferbasa paid to affiliated and unaffiliated suppliers for the input as reported by Ferbasa in Appendix D–15 of its supplemental COP response.

Comment 9: The petitioners contend that in calculating the selling, general and administrative (SG&A) expenses included in COP, the Department used Ferbasa's interim, unaudited and unconsolidated financial statement which covers only the first two months of 1995.

In addition, in determining interest expenses, petitioners contend that the Department divided the sum of Ferbasa's reported net financing expenses for the six-month period for which Ferbasa reported sales and cost data by the sum of the monthly cost of sales for that period. Thus, petitioners argue, by failing to calculate these ratios based on annual numbers, the Department has acted contrary to its established practice. Citing *Silicon Metal from Brazil, LTFV*, at 26,985, petitioners state that ''G&A expenses are period costs which should be based on the annual period in which they were incurred,'' and claim the same is true for interest expenses. Moreover, according to petitioners, in calculating these ratios, Department practice requires use of a consolidated, audited financial statement for the fiscal year that most closely correlates to the POR. Petitioners conclude, therefore, that the Department should calculate the SG&A and interest expense ratios based on Ferbasa's 1994 audited financial statement since that period most closely approximates the six-month period for which Ferbasa provided sales and cost data.

Furthermore, petitioners emphasize that the Department should use the constant currency figures from the financial statement, which have been adjusted to eliminate the distortive effects of hyperinflation experienced by Brazil during the first half of 1994.

Ferbasa argues that there are two basic flaws in petitioners' proposition that the Department should use the constant currency figures from the 1994 fiscal year (FY) audited financial statement. First, Ferbasa claims that the figures on the audited statement are the expenses of the consolidated company (Ferbasa and its subsidiaries) and second, the selling expense line item includes expenses such as freight charges and commissions for outside parties that are not related to the selling expenses incurred by Ferbasa.

Additionally, Ferbasa contends that in its COP calculations, the Department incorrectly used a two-month SG&A cost ratio provided in Ferbasa's September 21, 1995 questionnaire response. According to Ferbasa, for the final results of review, the Department should use the six-month (September 1994-February 1995) weighted-average SG&A ratio reported in the COP response. This would be consistent with the Department's use of six-month weighted-average COMs and financing expenses and the Department's determination that Brazil was not a hyperinflationary economy during this period.

Department's Position: We agree with petitioners that Department should use the annual consolidated income statement adjusted for inflation to determine the interest expense ratio. However, it is the Department's practice to base G&A expenses on the unconsolidated financial statement of the company. In this case, we have relied on the 1994 fiscal year unconsolidated audited financial statement to calculate G&A expenses, and the consolidated statement to determine the interest expense ratio. The Department's practice is to use the consolidated income statement for finance expenses because debt is fungible and corporations can shift debt and its related expenses toward or away from subsidiaries in order to manage profit. *See Silicon Metal from Brazil: Final Results of Antidumping Duty Administrative Reviews,* 59 FR 42,806 42,807 (August 19, 1994).

Since the value of the Brazilian currency changed significantly for the first half of 1994, costs which were incurred at the end of the year are not comparable to costs incurred at the beginning of the year. Without the application of indexing, the calculation of general expenses for periods of such significant inflation does not produce a meaningful result. To calculate a meaningful general expense amount, it is necessary to restate each month's general expenses in equivalent terms, that is, the currency value at a given point in time, such as the end of the year. This procedure has already been accomplished and reported in the constant currency column in Ferbasa's income statement. As explained in Doing Business in Brazil (Price Waterhouse, 1994), constant currency amounts have been adjusted to price levels current at the balance sheet date. The constant currency column in the financial statement, which reflects an adjustment for the potentially distortive effects of inflation, offers a more accurate measure of Ferbasa's production costs. In an inflationary environment such as Brazil's during a portion of the POR, money loses its purchasing power at such a rate that unadjusted comparisons of transactions that have occurred at different times during the accounting year are misleading. As further described in Doing Business in Brazil, the constant currency financial statement is ''used by corporate management to monitor and compare results of operations and by financial analysts to evaluate the performance of listed corporations.'' Any financial statement which corrects for potential distortions, such as those caused by inflation, are preferable to financial statements which include such distortions.

Further, due to the periodic nature of such costs, we have followed the Department's established practice of calculating G&A and interest expenses using the annual audited income statement for the fiscal year covering the greatest part of the POR. *See Final Determination of Sales at Less Than Fair Value: Oil Country Tubular Goods from Argentina,* 60 FR 33,539, 33,549 (June 28, 1995) and *Final Determination of Sales at Less Than Fair Value: Hot-Rolled Carbon Steel Flat Products, Cold-Rolled Carbons Steel Flat Products, Corrosion-Resistant Carbon Steel Flat Products, and Cut-to-Length Carbon Steel Plate from Canada,* 58 FR 37105, 37133 (July 9, 1993). To calculate G&A and interest expenses for purposes of COP and CV in these final results, we have therefore used the constant currency values from the 1994 audited financial statement covering the greatest part of the period for which we are using price and other cost data.

With regard to the calculation of selling expenses for purposes of CV, in accordance with established Department practice, we have used the sale-specific selling expenses reported by Ferbasa in its response to the Department's sales questionnaire. *See,* Policy Bulletin 94.6, Treatment of adjustments and selling expenses in calculating the cost of production (COP) and (CV).

Comment 10: The petitioners asset that in determining the net interest expenses to be included in COP and CV, it is the Department's established practice to reduce the amount of total interest expenses only by interest income from short-term investments derived from working capital. The petitioners further assert that if a respondent fails to demonstrate that its claimed offset is related solely to short-term income, the Department's practice is to disallow the claimed offset.

Petitioners allege that for this review, Ferbasa failed to demonstrate that its claimed offset was related to short-term interest income. Despite Ferbasa's acknowledgement that two of the six items that comprise its interest income category on the financial statement do not qualify as short-term interest income for purposes of dumping calculations, petitioners argue that Ferbasa failed to make an affirmative demonstration that the remaining four categories do relate solely to short-term interest income.

Thus, the petitioners conclude that the Department should not allow any offset for short-term interest income to the total interest expenses recorded in Ferbasa's financial statement.

Ferbasa opposes the petitioners' recommendation that the Department deny an offset adjustment to claimed interest expenses. In responding to petitioners' argument that it failed to adequately demonstrate that short-term nature of the four categories of interest income for which it claims an adjustment, Ferbasa claims that the four categories of income are related to interest income received from (1) savings or checking accounts, (2) late payments of customer accounts receivables, (3) short-term investment transactions, and (4) monetary correction of gains on receivables. Ferbasa emphasized that these four categories are all of a short-term nature. Accordingly, Ferbasa argues, the Department should continue to grant this adjustment for the final results of review.

Department's Position: The Department generally considers Ferbasa's response with regard to its calculation of interest expense to be in compliance with the statute and with the Department's questionnaire. In its March 27, 1996 supplemental COP response, Ferbasa provided a worksheet demonstrating its calculation of net interest expenses, specifically noting which categories of interest income are not derived from short-term investments and were therefore excluded from its calculation of net interest expenses.

There is no information on the record that would support petitioners' claim that Ferbasa overstated its short-term interest income and consequently understated its interest expense. However, in preparing its reported net interest expenses, Ferbasa used the historical cost figures from the consolidated 1994 fiscal year audited financial statement. As discussed in the Department's Position with regard to Comment 9 above, it is the Department's practice, when calculating general costs on an annual basis for an economy that experienced hyperinflation during that annual period, to rely on values reported on a constant currency basis. Therefore, it was necessary to recalculate Ferbasa's net interest expenses for these final results of review. Because Ferbasa's worksheet did not provide detail concerning short-term vs. long-term interest income based on the constant currency values recorded in its audited financial statements, the Department relied on the facts otherwise available to calculate a net interest expense ratio. As the facts otherwise available the Department (1) determined the ratio of short-term income to total interest income as provided based on the historical cost figures, and (2) applied this ratio to the total interest income value recorded in the constant currency portion of the financial statement to determine the short-term interest income offset to total interest expenses.

Comment 11: The petitioners argue that the Department erred in its calculation of COP by relying on Ferbasa's reported allocation of indirect expenses (consisting of fixed and variable factory overhead) over installed capacity. Petitioners contend that installed capacity is not an appropriate basis for allocating indirect expenses because it is a theoretical parameter that does not reflect the actual operations of a company.

The petitioners contend that Ferbasa reported final numbers already allocated to the production of ferrosilicon but failed to provide a worksheet that would explain how those expenses were allocated. In addition, petitioners suggest that information provided by Ferbasa on the record does not contain sufficient detail to allow the Department to properly allocate these expenses. Therefore, the petitioners conclude that the Department should resort to the facts otherwise available and determine an amount for indirect expenses by multiplying the sum of Ferbasa's reported monthly materials, labor, energy, and utility costs by the variable and fixed overhead ratio provided in the petitioners' sales-below-cost allegation.

Ferbasa contests petitioners' allegations that it did not properly report and allocate its indirect (variable and fixed factory overhead) expenses. Ferbasa claims that it provided itemized costs in its supplemental COP response and that those costs were incurred by the indirect cost centers related to the production of ferrosilicon. Finally, Ferbasa states that it has reported these costs in the same manner as they are allocated in its accounting system (*i.e.*, on the basis of installed capacity) and in accordance with the provisions set forth in section 773(f)(1)(A) of the antidumping statute. In conclusion, Ferbasa argues that the Department should accept its reported allocation of these expenses for the final results of review.

Department's Position: The Department considers Ferbasa's response with regard to the calculation of fixed and variable factory overhead to be in accordance with the Department's questionnaire and the statute. Ferbasa reported these costs in the same manner in which it records them in its financial statement, which it maintains in accordance with Brazilian GAAP. As stated in the Department's Position to Comment 2, it is the Department's established practice to accept costs taken directly from a respondent's accounting system when that system is in accordance with the foreign country's GAAP and it is clear that the figures reported do not distort the dumping calculations. In its March 1, 1996, COP questionnaire response Ferbasa states that the per unit monthly variable and fixed overhead costs were calculated by dividing the total monthly costs by the total monthly quantity produced. Ferbasa further states that the production of ferrosilicon is a continuous process and that the company had no idle assets and incurred no expenses for idle equipment, closures or shutdowns during the POR. See pp. D–20, 25, and 34.

We agree with the petitioners that the Department does not normally accept installed capacity as an allocation factor for costs because it does not necessarily reflect the actual operations of the company. However, based on the information provided by Ferbasa, as discussed above, in this instance installed capacity does in fact reflect the operations of the company during this period. Therefore we have determined that Ferbasa's methodology is an acceptable allocation basis for these costs during this period.

Comment 12: Petitioners contend that in calculating CV the Department must include an amount for ICMS and IPI taxes incurred on material inputs since the statute requires the inclusion of taxes that are not remitted or refunded upon exportation. *See,* section 773(e) of the Act.

The petitioners further contend that although the Department instructed Ferbasa to report the net per-unit amounts Ferbasa paid for all internal taxes imposed on purchases of direct materials used to produce ferrosilicon during the POR, Ferbasa only reported ranges of tax rates for ICMS and IPI taxes. Petitioners also argue that in calculating the monthly per-unit amounts incurred for ICMS and IPI taxes, Ferbasa inappropriately based its calculation on the total value of all raw materials purchased rather than on the value of raw materials consumed in the production of ferrosilicon during the POR. Petitioners conclude that this resulted in Ferbasa's reporting tax amounts that do not correspond to the cost of materials consumed.

Because Ferbasa failed to report the amount of taxes for material consumed, the petitioners urge the Department to resort to the facts otherwise available in the calculation of CV and apply the highest ICMS and IPI tax rates reported by Ferbasa of 17 and 15 percent, respectively.

Ferbasa argues that petitioners' contentions on this issue are without merit since the URAA explicitly amended the antidumping law to remove consumption taxes from NV and eliminate the addition of taxes to U.S. price in order to ensure that no consumption tax is included in either market's price (*i.e.*, to achieve tax neutrality). Specifically, section 773(a)(6)(B) of the Act requires the Department to reduce NV by the amount of indirect taxes imposed on the foreign product or components thereof that have been rebated or not collected, to the extent that such taxes are added to or are in the price of the foreign like product. Ferbasa argues, as such, where CV is used as NV, the Department should not include consumption taxes in the NV.

Ferbasa also responds to petitioners' claim that Ferbasa's reporting methodology for calculating taxes is flawed and should be rejected. Ferbasa contends that it calculated the tax rates based on monthly purchases and then applied that rate to the value of monthly consumption in order to derive the reported monthly taxes associated with the production of ferrosilicon during the POR.

Department's Position: We agree with Ferbasa that it reported ICMS and IPI taxes in a manner that is in accordance with Department practice.

Further, we have determined that the ICMS and IPI taxes must be added to the CV of the product under review. Section 773(e) of the Act requires the deduction from CV of any internal taxes applicable directly to material inputs or their disposition which are remitted or refunded upon exportation of the subject merchandise. The ICMS and IPI taxes were paid on material inputs for the production of ferrosilicon by Ferbasa. In so far as Brazil does not rebate upon export the ICMS and IPI taxes paid on the inputs used in the production of finished ferrosilicon, the cost of those exports entering the United States must include the value-added taxes (VAT) which were paid on the inputs, regardless of when or how taxes are recovered on home market sales. It is important to note that indirect taxes such as those at issue here are properly viewed as being imposed upon and ''borne by'' the product, not the producer. Thus, the fact that a producer may recover the total taxes it paid by virtue of unrelated home market transactions is irrelevant to the question of whether the exported product continues to bear the tax burden. Therefore, the tax amounts must be added to CV to properly reflect the true costs and expenses borne by this product. *See Final Results of Antidumping Duty Administrative Reviews: Silicon Metal Brazil*, 61 FR 46763 (September 5, 1996).

Comment 13: Petitioners state that Ferbasa pays ICMS taxes on its purchases of electricity and that for purposes of calculating CV, such taxes should be included in the reported electricity costs. Petitioners argue that since Ferbasa failed to report these taxes in its submissions, the Department should apply the highest ICMS tax rate (*i.e.*, 17 percent) as the facts otherwise available to calculate an amount of taxes incurred on electricity and incorporate this amount in the calculation of CV.

Department's Position: We agree with petitioners that ICMS taxes paid on electricity for the production of ferrosilicon must also be included in the CV of this product. *See* the *Department's Position* on Comment 12 above. Because Ferbasa did not provide any information with regard to its payment of taxes on electricity for the production of ferrosilicon, we have determined to use the facts available to fill this gap. Ferbasa reported that during the POR it paid ICMS taxes of up to 17 percent on material inputs. However, since Ferbasa did not provide specific data with regard to ICMS taxes paid on electricity, we have used publicly available data to fill the gap. Specifically, we used information contained in Price Waterhouse's publication Doing Business in Brazil, July 1994, which shows that the intrastate ICMS rate applied to electricity was 18 percent. Therefore as the facts otherwise available, we have applied the 18 percent intrastate ICMS tax rate to the electricity costs reported by Ferbasa and included these figures in our calculation of CV.

Comment 14: Petitioners argue that in its calculations for the preliminary results, the Department used an incorrect exchange rate for converting amounts reported in Reais to U.S. dollars.

Department's Position: We agree with petitioners. The Department inadvertently used an inverted exchange rate for converting amounts reported in Reais to U.S. dollars. We have corrected this mistake for the final results of review.

Comment 15: Ferbasa contends that the Department incorrectly used the monthly interest rate reported in Ferbasa's September 21, 1995 submission for the calculation of Ferbasa's imputed home market credit expense. Ferbasa contends that the Department should have used the monthly interest rates reported in Ferbasa's December 1, 1995 supplemental sales response which reflect Ferbasa's actual short-term borrowings during the POR.

Department's Position: We disagree in part with Ferbasa. Although Ferbasa did provide revised monthly interest rates based on its actual short-term borrowings, we note that these rates were not calculated in accordance with accepted Department methodology. Ferbasa calculated the reported rate as a ratio of total monthly interest payments to the number of ''business days,'' rather than total days in a given month. Since this ratio is applied to a calculation formula that accounts for all days in the month, the result would be an overstated home market imputed credit expense.

Therefore, we have continued to use the monthly short-term interest rates provided by Ferbasa in its original questionnaire response, as published in the *Dinheiro Vivo.*

Comment 16: According to Ferbasa, the Department incorrectly recalculated Ferbasa's U.S. credit expense by using a home market interest rate. In addition, Ferbasa alleges that the Department incorrectly reclassified as ''bank fees'' its actual U.S. credit expense and adjusted NV for this amount. To correct these errors, Ferbasa contends that the Department should adjust NV only for the amount of its actual U.S. credit expenses which Ferbasa calculated based on (1) total U.S. sales prices, (2) its rate of U.S. dollar denominated short-term borrowings, and (3) the period of time between date of shipment and date of receipt of payment by the U.S. customer. Ferbasa argues that use of its reported actual short-term U.S. credit expense would be consistent with longstanding Department practice.

Department's Position: We agree with Ferbasa on both points. First, we erroneously misclassified Ferbasa's reported U.S. credit expenses as bank fees and thus double-counted U.S. credit expenses in our calculation of NV. We have corrected this for these final results. Second, we also agree that we incorrectly recalculated Ferbasa's U.S. credit expenses by using a home market interest rate for borrowings in Reais.

As the Department stated in the *Final Determination of Sales at Less than Fair Value: Fresh Cut Roses from Colombia,* 60 FR 6980, 6998 (February 6, 1995), ''in determining the U.S. interest rate, it is the Department's policy that the interest rate used for a particular credit calculation should match the currency in which the sales are denominated.''

After reviewing the information submitted on the record, we have determined that Ferbasa correctly reported its U.S. imputed credit expenses in its original submission, by using its actual cost of short-term borrowing in U.S. dollars during the period. Therefore, for these final results, we have used Ferbasa's reported U.S. credit expenses for input credit costs incurred for U.S. sales.

Comment 17: According to Ferbasa, the URAA explicitly amended the antidumping law to remove consumption taxes from the home market price and eliminate the addition of taxes to U.S. price, in order to ensure that no consumption tax is included in the price in either market (*i.e.*, to achieve tax neutrality). Specifically, section 773(a)(6)(B) of the Act requires the Department to reduce NV by the amount of indirect taxes imposed on the foreign product or components thereof that have been rebated or not collected, to the extent that such taxes are added to or are included in the price of the foreign like product.

Despite the statutory requirement, Ferbasa argues that for the preliminary results of review, the Department failed to deduct from the home market selling price the IPI tax included in the home market gross unit price. Ferbasa concludes that to correct this error for the final results the Department should deduct the amount of the IPI tax (reported in the field ITAX) from the gross unit price in its calculation of NV.

The petitioners argue that the adjustment for taxes referenced by Ferbasa is relevant only in price-to-price comparisons. In so far as Department practice will require significant changes in the margin calculations which will result in a price to CV comparison, the petitioners contend that the issue is moot and need not be considered by the Department.

Department's Position: We agree with petitioners that as a result of corrections and changes to our calculation of COP, our margin calculations have been based on a price to CV comparison. Therefore, the issue of deducting IPI taxes from home market prices need not be addressed in this notice.

Comment 18: Ferbasa argues that the Department, in its calculation of NV, failed to offset the U.S. commissions by an amount of home market indirect selling expenses and inventory carrying costs even though no commissions were paid for home market sales of ferrosilicon, but a commission was paid for the U.S. sale. Citing § 353.56(c) of the Department's regulations, Ferbasa contends that where a commission is paid in one market and not in the other market, the commission should be offset by the sum of the indirect selling expenses and inventory carrying costs incurred in the other market up to the lesser of the commission or the selling expenses/inventory carrying costs. Finally, Ferbasa argues that the Department should correct this oversight for the final results of review by applying its indirect selling expense ratio against gross unit prices less the IPI tax.

Petitioners argue that Ferbasa's contentions regarding the commission offset are incorrect. Petitioners suggest that since Ferbasa stated that its reported indirect selling expenses reconcile to its financial statements and its financial accounting system does not reflect any taxes, home market indirect selling expenses should be calculated using gross unit price reduce by *all* taxes.

Department's Position: We agree with Ferbasa that in the preliminary results margin calculations the Department inadvertently did not make an offsetting adjustment to NV for the commission incurred on the U.S. sale of ferrosilicon. We have corrected this oversight for these final results of review. However, we also agree with petitioners that it appears that Ferbasa calculated its indirect selling expense and inventory carrying cost ratios against a sales value that was exclusive of both IPI and ICMS taxes. Therefore, we have calculated this adjustment by applying the combined indirect selling and inventory carrying cost ratios to home market prices that are net of both of these taxes.

Final Results of Review

As a result of our analysis of the comments received, we determined that the following margins exist for the period August 16, 1993 through February 28, 1995:

Manufacturer/producer/exporter	Margin (percent)
Companhia de Ferro Ligas da Bahia	00.05

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

Furthermore, the following deposit requirement will be effective for all shipments of subject merchandise from Brazil entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be zero; (2) for merchandise exported by manufacturers or 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 rate published in the most recent final results or determination for which the manufacturer or exporter received a company-specific rate; (3) if the exporter is not a firm covered in this review, an earlier review, or the LTFV investigation, but the manufacturer is, the cash deposit rate will be that established for the manufacturer of the merchandise in the final results of this review, earlier review or the LTFV investigation, whichever is the most recent; and, (4) the cash deposit rate for all other manufacturers or exporters will be 35.95 percent, the ''all others'' rate established in the antidumping duty order (59 FR 11769, March 14, 1994).

These cash 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 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 terms of the APO is a sanctionable violation.

This administrative review 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: November 4, 1996.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 96–29936 Filed 11–21–96; 8:45 am]

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[A–580–825]

Certain Oil Country Tubular Goods Other Than Drill Pipe From Korea; Notice of Termination of Antidumping Duty Administrative Review

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

ACTION: Notice of Termination of Antidumping Duty Administrative Review.

EFFECTIVE DATE: November 22, 1996.

SUMMARY: On September 17, 1996, the Department of Commerce (''the Department'') published in the Federal Register (61 FR 48882) a notice announcing the initiation of an administrative review of the antidumping duty order on certain oil country tubular goods other than drill pipe from Korea, covering the period February 2, 1995, through July 31, 1996. This review has now been terminated as a result of the withdrawal of the request for administrative review by the interested party.

FOR FURTHER INFORMATION CONTACT: Jacqueline Wimbush, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone (202) 482–1394.