

**Currency Conversion**

Section 773A(a) of the Act directs the Department to convert foreign currencies based on the dollar exchange rate in effect on the date of sale of the subject merchandise, except if it is established that a currency transaction on forward markets is directly linked to an export sale. When a company demonstrates that a sale on forward markets is directly linked to a particular export sale in order to minimize its exposure to exchange rate losses, the Department will use the rate of exchange in the forward currency sale agreement. In this case, although one respondent reported that foreign exchange currency contracts applied to its reported U.S. sales, the record information was not sufficient to conclude that these contracts were directly linked to the particular sales in question.

Therefore, for the purpose of the preliminary determination, we made currency conversions based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. Section 773A(a) directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a "fluctuation." For this preliminary determination, we have determined that a fluctuation exists when the daily exchange rate differs from the benchmark rate by 2.25 percent. The benchmark is defined as the rolling average of rates for the past 40 business days. When we determined a fluctuation existed, we substituted the benchmark for the daily rate.

Further, section 773A(b) directs the Department to allow a 60-day adjustment period when a currency has undergone a sustained movement. Such an adjustment period is required only when a foreign currency is appreciating against the U.S. dollar. The use of an adjustment period was not warranted in this case, because the dates of sale occurred within periods where the Japanese yen remained generally constant against the U.S. dollar.

**Verification**

As provided in section 782(i) of the Act, we will verify all information used in making our final determination.

**Suspension of Liquidation**

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all entries of LNPP systems, additions, and components, whether assembled or unassembled, from Japan, that are entered, or withdrawn from warehouse

for consumption, on or after the date of publication of this notice in the Federal Register. Furthermore, because we are still in the process of clarifying the definition of a subject LNPP system, addition, or component, as explained in the "Scope Issues" section of this notice, we are also directing the Customs Service to suspend liquidation of entries of elements (parts or subcomponents) of components imported to fulfill a contract for an LNPP system, addition, or component, from Japan, that are entered, or withdrawn from warehouse for consumption, on or after the date of publication of this notice in the Federal Register.

In addition, in order to ensure that our suspension of liquidation instructions are not so broad as to cover merchandise imported for non-subject uses, foreign producers/exporters and U.S. importers in the LNPP industry shall be required to provide certification that the imported merchandise would not be used to fulfill an LNPP contract. We will also request that these parties register with the Customs Service the LNPP contract number pursuant to which the merchandise is imported. With respect to entries of LNPP spare and replacement parts, and used presses, from Japan, which are expressly excluded from the scope of the investigation, we will instruct the Customs Service not to suspend liquidation of these entries if they are separately identified and valued in the LNPP contract pursuant to which they are imported.

The Customs Service will require a cash deposit or posting of a bond equal to the estimated amount by which the normal value exceeds the export price as shown below. These suspension of liquidation instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Exporter/Manufacturer	Weighted-average margin percentage
Mitsubishi Heavy Industries, Ltd. ....	47.57%
Tokyo Kikai Seisakusho, Ltd. ...	58.14%
All Others .....	53.72%

The All Others rate applies to all entries of subject merchandise except for entries of merchandise produced by MHI and TKS.

**ITC Notification**

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final

determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

**Public Comment**

Case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than May 24, 1996, and rebuttal briefs, no later than May 30, 1996. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on June 4, 1996, time and place to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099, within ten days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by 135 days after the publication of this notice in the Federal Register.

This determination is published pursuant to section 733(f) of the Act.

Dated: February 23, 1996.  
 Susan G. Esserman,  
*Assistant Secretary for Import Administration.*

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[A-428-821]

**Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, From Germany**

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

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

**FOR FURTHER INFORMATION CONTACT:** Irene Darzenta or William Crow, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-6320 or (202) 482-0116.

**The Applicable Statute**

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.

**Preliminary Determination**

As explained in the memoranda from the Assistant Secretary for Import Administration dated November 22, 1995, and January 11, 1996, the Department of Commerce (the Department) has exercised its discretion to toll all deadlines for the duration of the partial shutdowns of the Federal Government from November 15 through November 21, 1995, and December 16, 1995, through January 6, 1996. Thus, all deadlines in this investigation have been extended by 28 days, *i.e.*, one day for each day (or partial day) the Department was closed. The revised deadline for this preliminary determination is February 23, 1996.

We preliminarily determine that large newspaper printing presses and components thereof ("LNPPs") from Germany are being, or are likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

**Case History**

Since the initiation of this investigation on July 20, 1995 (Notice of Initiation of Antidumping Duty Investigation: Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Disassembled,

60 FR 38546 (July 27, 1995)(Initiation Notice)), the following events have occurred:

On August 14, 1995, the United States International Trade Commission ("ITC") notified the Department of Commerce (the Department) of its affirmative preliminary determination (see ITC Investigation No. 731-TA-736 and 737).

On August 28, 1995, we presented Section A of the Department's questionnaire<sup>1</sup> to MAN Roland Druckmaschinen AG and its U.S. affiliate MAN Roland Inc. (collectively "MAN Roland"), and Koenig & Bauer-Albert AG and its U.S. affiliate KBA-Motter Corp. (collectively, "KBA"). See the "Respondent Selection" section of this notice. MAN Roland's responses to Section A were received on September 27, 1995 (as amended on September 29, 1995), October 4, 1995, and October 10, 1995. On September 25, 1995, KBA informed the Department that it would not be responding to the Department's questionnaire.

On October 20, 1995, at the request of Rockwell International Corporation (the petitioner), we postponed the preliminary determination to January 26, 1996. (See Notice of Postponement of Preliminary Determinations: Antidumping Investigation of Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled From Japan, 60 FR 54841, October 26, 1995.)

On October 24, 1995, the petitioner alleged that there are reasonable grounds to believe or suspect that MAN Roland made below-cost sales of the subject merchandise in Germany, and that these below-cost sales must be excluded from the Department's calculation of profit for constructed value ("CV"). Because we determined the appropriate basis for normal value ("NV") to be CV, we did not address petitioner's below-cost allegation. We did, however, solicit contract price and production cost data for MAN Roland's home market sales of subject merchandise in order to compute selling, general and administrative (SG&A) expenses, and profit for CV in accordance with section 773(e)(2)(A) of the Act. (See "Product Comparisons" section of this notice.)

The Department issued Sections C, D and E of its questionnaire<sup>2</sup> to MAN Roland on October 27, 1995. Responses

<sup>1</sup> Section A requests data concerning corporate organization, accounting practices, markets and merchandise.

<sup>2</sup> Section C requests data on sales to the United States. Section D requests data on the cost of production and constructed value. Section E requests data on the cost of further manufacturing or assembly performed in the United States.

to these sections of the questionnaire were received on December 13, 1995. A supplemental questionnaire was not issued to MAN Roland on January 18, 1996. On January 30, 1996, MAN Roland submitted corrections to clerical errors contained in its December 13, 1995, Section D response. MAN Roland's responses to the Department's supplemental questionnaire were received on January 31, and February 1, 1996. A revised U.S. sales listing was submitted on February 2, 1996.

During the period July 28, 1995 through January 23, 1996, the petitioner, MAN Roland and KBA filed comments requesting clarification of the scope of this investigation with respect to elements (*i.e.*, parts or subcomponents) of covered components, and spare and replacement parts. Respondents in the concurrent investigation of LNPPs from Japan, Mitsubishi Heavy Industries, Ltd. and Tokyo Kikai Seisakusho, also submitted comments concerning scope. On January 23, 1996, the petitioner clarified the scope to exclude used presses. See "Scope of Investigation" section of this notice. At the Department's request, on February 8, 1996, the parties filed comments on suspension of liquidation instructions.

On February 2 and 9, 1996, the petitioner filed comments on issues to be resolved and methodologies to be employed in the preliminary determination. KBA and MAN Roland filed such comments on February 8 and 12, 1996, respectively.

**Facts Available**

KBA failed to respond to the Department's questionnaire. Section 776(a)(2) of the Act provides that if an interested party (1) withholds information that has been requested by the Department, (2) fails to provide such information in a timely manner or in the form or manner requested, (3) significantly impedes a determination under the antidumping statute, or (4) provides such information but the information cannot be verified, the Department shall use facts otherwise available in reaching the applicable determination. Because KBA failed to respond to the Department's questionnaire, we must use facts otherwise available with regard to KBA.

Section 776(b) provides that adverse inferences may be used against a party that has failed to cooperate by not acting to the best of its ability to comply with requests for information. See also Statement of Administrative Action, at 870. KBA's failure to reply to the Department's questionnaire demonstrates that KBA has failed to cooperate to the best of its ability in this

investigation. Thus, the Department has determined that, in selecting among the facts otherwise available to KBA, an adverse inference is warranted. As facts otherwise available, we are assigning to KBA the margin stated in the notice of initiation, 46.40 percent.

Section 776(c) provides that when the Department relies on secondary information (such as the petition) in using the facts otherwise available it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. When analyzing the petition, the Department reviewed all of the data the petitioner had in calculating the estimated dumping margin. This estimated dumping margin was based on a comparison of the bid price for a sale of a LNPP system made by MAN Roland to an unrelated U.S. customer and the CV of that LNPP system. As a result of that analysis, the Department modified the CV methodology that the petitioner relied upon in calculating the estimated margin. On the basis of those modifications, the Department recalculated the estimated dumping margin and found it to be 46.40 percent. See Initiation Notice. The Department corroborated all of the secondary information from which the margin was calculated during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose at that time. For purposes of the preliminary determination, the Department reexamined the price information provided in the petition in light of information developed during the investigation, and found that it continues to be of probative value.

#### *Respondent Selection*

The producers named in the petition were MAN Roland and KBA. On August 4, 1995, we contacted the U.S. Embassy in Bonn, Germany, requesting the identification of German producers and exporters of LNPPs to the United States, and the volume and value of subject merchandise they sold to the United States during the period January 1, 1991 through May 31, 1995. On August 24, 1995, we received a reply cable with information concerning the U.S. sales activities of MAN Roland and KBA. The cable did not indicate that there were other German exporters of subject merchandise to the United States. In addition to this cable, we received a separate cable from the U.S. Embassy replying to the ITC's request for information on German manufacturers of subject merchandise. While this cable identified eight additional German

manufacturers of various press technologies, it did not specify whether they were producers/exporters of the subject merchandise.

Based on the petition and the information received from the U.S. Embassy, we issued questionnaires to MAN Roland and KBA. We did not send any additional questionnaires, as no evidence on the record suggested that any other German manufacturer sold LNPPs in the United States during the specified period. (See Memorandum to The File Re: Questionnaire Recipients, dated August 28, 1995.)

#### *Postponement of Final Determination and Extension of Provisional Measures*

Pursuant to section 735(a)(2)(A) of the Act, on February 23, 1996, MAN Roland, requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until 60 days after the date of the scheduled final determination, which is equivalent to 135 days after the publication of an affirmative preliminary determination in the Federal Register. In accordance with 19 CFR 353.20(b)(1995), because our preliminary determination is affirmative, the respondent accounts for a significant proportion of exports of the subject merchandise, and no compelling reasons for denial exist, we are granting respondent's request and postponing the final determination.

Section 733(d) of the Act provides that provisional measures may not remain in effect for more than four months. However, that provision of the Act also states that the Department may extend that period to six months at the request of exporters representing a significant proportion of exports of the subject merchandise. No such explicit request was made in this case. However, we interpret the request of MAN Roland to extend the final determination in this investigation to contain an implied request to extend provisional measures in accordance with Section 733(d) of the Act. Accordingly, we have extended the period for provisional measures to six months.

#### *Scope of Investigation*

As specified below, we have revised the scope since our notice of initiation to exclude used presses, in accordance with the petitioner's January 23, 1996, clarification. Furthermore, we have clarified the scope to include "elements" (otherwise referred to as "parts" or "subcomponents") of an LNPP system, addition or component, which taken as a whole, constitute a subject LNPP system, addition or

component used to fulfill an LNPP contract. See "Scope Issues" section of this notice concerning the treatment of elements in the scope. In addition, we have stipulated that spare or replacement parts, which are imported pursuant to an LNPP contract and are separately identified and valued in that contract, whether or not shipped in combination with covered merchandise, are excluded from the scope of the investigation. See February 23, 1996, Decision Memorandum to Richard Moreland from The Team Re: Scope Issues.

The products covered by these investigations are large newspaper printing presses, including press systems, press additions and press components, whether assembled or unassembled, that are capable of printing or otherwise manipulating a roll of paper more than two pages across. A page is defined as a newspaper broadsheet page in which the lines of type are printed perpendicular to the running of the direction of the paper or a newspaper tabloid page with lines of type parallel to the running of the direction of the paper.

In addition to complete systems, the scope of these investigations includes the five press system components. They are:

- (1) A printing unit, which is any component that prints in monochrome, spot color and/or process (full) color, or a printing-unit cylinder;
- (2) A reel tension paster (RTP), which is any component that feeds a roll of paper more than two newspaper broadsheet pages in width into a subject printing unit;
- (3) A folder, which is a module or combination of modules capable of cutting, folding, and/or delivering the paper from a roll or rolls of newspaper broadsheet paper more than two pages in width into a newspaper format;
- (4) Conveyance and access apparatus capable of manipulating a roll of paper more than two newspaper broadsheet pages across through the production process and which provides structural support and access; and
- (5) A computerized control system, which is any computer equipment and/or software designed specifically to control, monitor, adjust, and coordinate the functions and operations of large newspaper printing presses or press components.

A press addition is comprised of a union of one or more of the press components defined above and the equipment necessary to integrate such components into an existing press system.

Because of their size, large newspaper printing press systems, press additions, and press components are typically shipped either partially assembled or unassembled. Any of the five components, or collection of components, the use of which is to fulfill a contract for large newspaper printing press systems, press additions, or press components, regardless of degree of assembly and/or degree of combination with non-subject elements before or after importation, is included in the scope of this investigation. Also included in the scope are elements of an LNPP system, addition or component, which taken as a whole, constitute a subject LNPP system, addition or component used to fulfill an LNPP contract.

This scope does not cover spare or replacement parts. Spare or replacement parts imported pursuant to an LNPP contract, which are not integral to the original start-up and operation of the LNPP, and are separately identified and valued in an LNPP contract, whether or not shipped in combination with covered merchandise, are excluded from the scope of this investigation. Used presses are also not subject to this scope. Used presses are those that have been previously sold in an arm's length transaction to a purchaser that used them to produce newspapers in the ordinary course of business.

Further, these investigations cover all current and future printing technologies capable of printing newspapers, including, but not limited to lithographic (offset or direct), flexographic, and letterpress systems.

The products covered by these investigations are imported into the United States under subheadings 8443.11.10, 8443.11.50, 8443.30.00, 8443.59.50, 8443.60.00, and 8443.90.50 of the HTSUS. Large newspaper printing presses may also enter under HTSUS subheadings 8443.21.00 and 8443.40.00. Large newspaper printing press computerized control systems may enter under HTSUS subheadings 8471.49.10, 8471.49.21, 8471.49.26, 8471.50.40, 8471.50.80, 8524.51.30, 8524.52.20, 8524.53.20, 8524.91.00, 8524.99.00 and 8537.10.90. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these investigations is dispositive.

#### *Scope Issues*

Since our initiation, we received numerous comments from interested parties in this investigation and the concurrent investigation involving Japan, requesting that the Department

clarify the treatment of "elements" in the scope of the investigation.

In general, respondents believe that if the imported elements do not constitute a complete, albeit unassembled, component, or are missing "essential" elements to function as one of the five components named in the scope, they would not be subject to the scope of this investigation and the concurrent investigation involving Japan. The petitioner believes that, because an imported LNPP press, addition or component will almost always contain elements, which, by themselves, are not subject to the scope, it is not practical to exclude these elements from the scope of the investigation in so far as they comprise an incomplete subject component. For a complete discussion of these comments, see February 23, 1996 Memorandum to Richard W. Moreland from The Team Re: Scope Issues.

As stated in the "Scope of Investigations" section above, we interpret the scope to include those elements or collection of elements imported from a subject country in so far as they constitute any one of the five covered components which are, in turn, used to fulfill a contract for a LNPP press system, press addition or press component. Individual parts per se are not covered by the scope of these investigations unless taken as a whole they constitute a subject component used to fulfill an LNPP contract. This interpretation, however, raises a question: at what point do the elements imported from a subject country rise to the level of an LNPP component, addition or system subject to the scope of these investigations?

The Department must decide on a reasonable and practicable approach in determining what constitutes a subject LNPP component, addition or system, and in so doing, establish the basis on which we will include elements in the scope. We are considering two alternative approaches for analyzing what governs the inclusion of parts or subcomponents, other than spare or replacement parts, within the scope of these investigations. One approach would consider, on a case-by-case basis, whether the imported parts or subcomponents when taken together are essentially an LNPP system, addition or component. This so-called "essence" approach is of necessity subjective and turns on the question of how near the sum of the imported parts comes to comprising a complete LNPP system, addition or component. A second approach would consider the value of the imported parts or subcomponents relative to the total value of the finished

LNPP component, addition or system in the United States. That is, we would determine that the imported parts or subcomponents would be within the scope if they comprised a certain minimum percentage of the value of the parts of a finished LNPP system, addition or component.

Both of these approaches raise threshold questions. Because certain sales reported by respondents in both the German and Japanese investigations consist of imported elements from Germany or Japan, rather than a complete LNPP component, addition or system, acceptance of either of the two approaches will have implications as to which of the respondents' sales the Department will consider in its final determination. Therefore, we are presently soliciting comments from interested parties as to the merits of these approaches and/or others that may be relevant for use in the final determination. Interested party comments on this topic are due no later than May 1, 1996.

#### *Period of Investigation (POI)*

The petitioner and MAN Roland filed comments during the period October 19 through 26, 1995, concerning the appropriate POI. On October 27, 1995, we established the appropriate POI for MAN Roland to be July 1, 1993 through June 30, 1995.

As a result of changes to section 773(b)(2)(B) of the Act, which codified the normal period within which sales made below the cost of production are to be analyzed, the Department modified the standard POI to cover a one year period. In this investigation, however, in order to capture sufficient and representative sales, the Department extended the POI to two years, instead of the normal one-year period, because of the nature of the LNPP industry, characterized by custom order sales and long term sales contracts. (See October 27, 1995 Memorandum to Richard W. Moreland from The Team Re: Establishing the Period of Investigation.)

#### *Product Comparisons*

Although the home market was viable, in accordance with section 773 of the Act, we based NV on CV because we determined that the particular market situation, which requires that the subject merchandise be built to each customer's specifications, does not permit proper price-to-price comparisons. (See November 9, 1995, Memorandum to Richard W. Moreland from The Team Re: Determining the Appropriate Basis for Normal Value.)

### *Fair Value Comparisons*

To determine whether MAN Roland's sales of LNPPs to the United States were made at less than fair value, we compared Constructed Export Price ("CEP") to the NV, as described in the "Constructed Export Price" and "Normal Value" sections of this notice. In accordance with section 777A(d)(1)(A)(ii), we calculated transaction-specific CEPs (which in this case were synonymous with model-specific CEPs) for comparison to transaction-specific NVs because of the limited number of sales and the custom-made merchandise.

### *Constructed Export Price*

In accordance with subsections 772(b) and (d) of the Act, we calculated CEP for sales to the first unaffiliated purchaser by a seller affiliated with the producer/exporter that took place before importation and involved further manufacturing in the United States.

We calculated CEP sales based on packed, delivered and/or installed prices to unaffiliated customers in the United States. We made deductions from the starting price (gross unit price), where appropriate, for the following charges: inland freight to port in Germany, foreign inland insurance, foreign brokerage and handling, international freight, marine insurance, U.S. brokerage and handling, U.S. Customs duty and U.S. inland freight. We made corrections to respondent's data where the data reported in the U.S. sales listing conflicted with the data contained in support documentation submitted in its questionnaire responses.

We also made deductions for post-sale warehousing, commissions, imputed credit, training, warranty and product liability. In calculating imputed credit, we took into account the unique nature and magnitude of the LNPP projects under investigation. These projects require substantial capital expenditures over an extended time period because of their size and their lengthy production process. Moreover, the projects generally call for the purchaser to provide scheduled progress payments prior to the completion of a given project. In consideration of these factors, we computed credit by applying an interest rate to the net balance of production costs incurred and progress payments made during the construction period. We imputed credit expenses for U.S. sales using the weighted-average U.S. short-term interest rate reported for the POI because these sales were denominated in U.S. dollars.

We also deducted those indirect selling expenses that related to economic activity in the United States. We recalculated these expenses based on sales revenues, rather than sales orders. We disallowed an adjustment for the warehousing income claimed for one sale because of insufficient evidence on the record to support respondent's claim that such an adjustment was warranted.

We also deducted the value of spare and replacement parts, which are excluded from the scope of the investigation, where the value of these spare and replacement parts was separately identified in the contractual documentation governing the sale. In addition, for one sale, we deducted the value of the used equipment portion of the LNPP which is excluded from the scope of the investigation.

We classified installation expenses, as well as special testing and start-up costs associated with the installation process, as part of further manufacturing in the United States because the U.S. installation process involves extensive technical activities on the part of engineers and installation supervisors, and the integration of subject and non-subject merchandise necessary for the operation of LNPPs. We also classified as part of further manufacturing costs, the cost of certain non-German items either shipped directly to the United States without further processing in Germany, or sourced in the United States, for integration into the overall LNPP during the installation process.

Furthermore, we deducted the cost of any further manufacturing or assembly (including additional material and labor, installation, special testing and start-up costs). We recomputed the U.S. further manufacturer's reported general and administrative ("G&A") expense rate using the cost of sales amount reported in its financial statements; and for one U.S. sale, we reduced the further manufacturing costs by the reported cost of used equipment. Finally, we made an adjustment for CEP profit in accordance with section 772(d)(3) of the Act.

### *Normal Value/Constructed Value*

For the reasons outlined in the "Product Comparisons" section of this notice, we based NV on CV.

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of the respondent's cost of materials, fabrication, SG&A and U.S. packing costs as reported in the U.S. sales database. In accordance with section 773(e)(2)(A), we based SG&A and profit on the amounts incurred and realized by the respondent in connection with the production and sale

of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

We relied on the respondent's CV amounts, except in the following specific instances wherein the reported costs were improperly valued:

1. We excluded respondent's reported negative interest expense amounts for all sales;
2. We excluded the multiple facility adjustment reported in cost of manufacturing ("COM");
3. For each uncompleted press, we applied to the submitted standard overhead costs the variance experienced by MAN Roland for the most recently completed fiscal year (July 1, 1994 through June 30, 1995);
4. We recalculated the time variance for manufacturing overhead costs based on the adjusted costs as computed in item 3 above;
5. We recalculated product line research and development costs, and G&A expenses based on the full cost of each U.S. contract;
6. In calculating the CV profit rate and selling expense rates, we adjusted the reported home market cost data for items 1 through 3 noted above;

We also included in CV the costs of spare and replacement parts for those U.S. sales where the value of these parts could not be separately identified in the contractual documentation and therefore could not be excluded from CEP.

For selling expenses, we used the average home market selling expense rate, calculated based on the selling expenses reported for home market sales made in the ordinary course of trade, and applied this rate to the U.S. COM. We recalculated home market indirect selling expenses based on sales revenues, rather than sales orders.

We calculated imputed credit for CV purposes in accordance with the methodology explained in the "Constructed Export Price" section of this notice. We imputed credit expenses for CV using the weighted-average home market short-term interest rate reported for the POI since these sales were denominated in deutschemarks.

In accordance with section 773(a)(6)(B), we added U.S. packing costs to a CV net of packing.

### *Price to CV Comparisons*

For CEP to CV comparisons, we deducted from CV the average home market direct selling expenses pursuant to section 773(a)(8) of the Act.

### *Currency Conversion*

Section 773A(a) of the Act directs the Department to convert foreign

currencies based on the dollar exchange rate in effect on the date of sale of the subject merchandise, except if it is established that a currency transaction on forward markets is directly linked to an export sale. When a company demonstrates that a sale on forward markets is directly linked to a particular export sale in order to minimize its exposure to exchange rate losses, the Department will use the rate of exchange in the forward currency sale agreement. In this case, although MAN Roland reported that forward currency exchange contracts applied to certain U.S. sales, the record information was not sufficient to conclude that these contracts were directly linked to the particular sales in question. Therefore, for the purpose of the preliminary determination, we made currency conversions based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Section 773A(a) directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a "fluctuation." For this preliminary determination, we have determined that a fluctuation exists when the daily exchange rate differs from the benchmark rate by 2.25 percent. The benchmark is defined as the rolling average of rates for the past 40 business days. When we determined a fluctuation existed, we substituted the benchmark for the daily rate.

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**Verification**

As provided in section 782(i) of the Act, we will verify all information used in making our final determination.

**Suspension of Liquidation**

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all entries of LNPP systems, additions and components, whether assembled or unassembled, from Germany, that are entered, or withdrawn from warehouse for consumption, on or after the date of publication of this notice in the Federal Register. Furthermore, because we are still in the process of clarifying the definition of a subject LNPP system,

addition or component, as explained in the "Scope Issues" section of this notice, we are also directing the Customs Service to suspend liquidation of entries of elements (parts or subcomponents) of components imported to fulfill a contract for an LNPP system, addition, or component, from Germany, that are entered, or withdrawn from warehouse for consumption, on or after the date of publication of this notice in the Federal Register.

In addition, in order to ensure that our suspension of liquidation instructions are not so broad as to cover merchandise imported for non-subject uses, foreign producers/exporters and U.S. importers in the LNPP industry shall be required to provide certification that the imported merchandise would not be used to fulfill an LNPP contract. We will also request that these parties register with the Customs Service the LNPP contract numbers pursuant to which subject merchandise is imported. With respect to entries of LNPP spare and replacement parts, and used presses, from Germany, which are expressly excluded from the scope of the investigation, we will instruct the Customs Service not to suspend liquidation of these entries if they are separately identified and valued in the LNPP contract pursuant to which they are imported. The Customs Service will require a cash deposit or posting of a bond equal to the estimated amount by which the normal value exceeds the export price as shown below. These suspension of liquidation instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Exporter/Manufacturer	Weighted-average margin percentage
MAN Roland Druckmaschinen AG .....	17.70
Koenig & Bauer-Albert AG .....	46.40
All Others .....	17.70

The Department has excluded the margin for KBA, which is based on adverse facts available, from the calculation of the All Others rate.

The All Others rate applies to all entries of subject merchandise except for entries of merchandise produced by MAN Roland and KBA.

**ITC Notification**

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120

days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

**Public Comment**

Case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than May 16, 1996, and rebuttal briefs, no later than May 23, 1996. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on June 4, 1996, time and place to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099, within ten days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by 135 days after the publication of this notice in the Federal Register.

This determination is published pursuant to section 733(f) of the Act.

Dated: February 23, 1996.  
 Susan G. Esserman,  
*Assistant Secretary for Import Administration.*

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[A-560-801, A-583-825, and A-570-844]

**Initiation of Antidumping Duty Investigation: Melamine Institutional Dinnerware Products From Indonesia, Taiwan and the People's Republic of China**

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