

firms as stated above; (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 24.51 percent for stainless steel wire rods, the all others rate established in the LTFV investigations. See *Amended Final Determination and Antidumping Duty Order: Certain Stainless Steel Wire Rods from France*, (59 FR 4022, January 28, 1994).

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

This notice serves as a final reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with § 353.34(d) of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

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

Dated: May 5, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97-12389 Filed 5-9-97; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

[A-570-815]

Sulfanilic Acid From the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review

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

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on sulfanilic acid from the People's Republic of China. The review covers exports of this merchandise to the United States for the period August 1, 1995 through July 31, 1996, and thirteen firms: China National Chemical Import and Export Corporation, Hebei Branch (Sinochem Hebei); China National Chemical Construction Corporation, Beijing Branch; China National Chemical Construction Corporation, Qingdao Branch; Sinochem Qingdao; Sinochem Shandong; Baoding No. 3 Chemical Factory; Jinxing Chemical Factory; Zhenxing Chemical Factory; Mancheng Zinyu Chemical Factory, Shijiazhuang; Mancheng Xinyu Chemical Factory, Beijing; Hainan Garden Trading Company; Yude Chemical Company and Shunping Lile. The preliminary results of this review indicate that there were no dumping margins for the two responding parties: Yude Chemical Company (Yude) and Zhenxing Chemical Factory (Zhenxing).

We invite interested parties to comment on these preliminary results. Parties who submit arguments in this proceeding are requested to submit with the argument (1) A statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: May 12, 1997.

FOR FURTHER INFORMATION CONTACT:

Kristen Smith or Kristen Stevens, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-3793.

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 made 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 August 12, 1996, the Department of Commerce (the Department) published in the **Federal Register** (61 FR 41768) a notice of "Opportunity to Request Administrative Review" for the August 1, 1995 through July 31, 1996, period of review (POR) of the antidumping duty order on Sulfanilic Acid from the People's Republic of China (57 FR 37524). In accordance with 19 CFR 353.22, Sinochem Hebei, Yude Chemical Industry Co. (Yude), Zhenxing Chemical Industry Co. (Zhenxing), PHT International and the petitioners, Nation Ford Chemical Company, requested a review for the aforementioned period. On September 17, 1996, the Department published a notice of "Initiation of Antidumping Review." 61 FR 48882. The Department is now conducting a review pursuant to section 751(a) of the Act.

Scope of Review

Imports covered by this review are all grades of sulfanilic acid, which include technical (or crude) sulfanilic acid, refined (or purified) sulfanilic acid and sodium salt of sulfanilic acid.

Sulfanilic acid is a synthetic organic chemical produced from the direct sulfonation of aniline with sulfuric acid. Sulfanilic acid is used as a raw material in the production of optical brighteners, food colors, specialty dyes, and concrete additives. The principal differences between the grades are the undesirable quantities of residual aniline and alkali insoluble materials present in the sulfanilic acid. All grades are available as dry, free flowing powders.

Technical sulfanilic acid, classifiable under the subheading 2921.42.24 of the Harmonized Tariff Schedule (HTS), contains 96 percent minimum sulfanilic acid, 1.0 percent maximum aniline, and 1.0 percent maximum alkali insoluble materials. Refined sulfanilic acid, also classifiable under the subheading 2921.42.24 of the HTS, contains 98 percent minimum sulfanilic acid, 0.5 percent maximum aniline and 0.25 percent maximum alkali insoluble materials.

Sodium salt, classifiable under the HTS subheading 2921.42.79, is a powder, granular or crystalline material which contains 75 percent minimum equivalent sulfanilic acid, 0.5 percent maximum aniline based on the

equivalent sulfanilic acid content, and 0.25 percent maximum alkali insoluble materials based on the equivalent sulfanilic acid content.

Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

This review covers thirteen producers/exporters of Chinese sulfanilic acid. The review period is August 1, 1995 through July 31, 1996.

Separate Rates

To establish whether a company is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity in a nonmarket economy (NME) country under the test established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*), as amplified by the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*). Under this policy, exporters in NME countries are entitled to separate, company-specific margins when they can demonstrate an absence of government control, both in the law (*de jure*) and in fact (*de facto*), with respect to exports of the subject merchandise. Evidence supporting, though not requiring, a finding of *de jure* absence of government control includes: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies. *De facto* absence of government control with respect to exports is based on four criteria: (1) Whether the export prices are set by or subject to the approval of a government authority; (2) whether each exporter retains the proceeds from its sales and makes independent decisions regarding the disposition of profits and financing of losses; (3) whether each exporter has autonomy in making decisions regarding the selection of management; and (4) whether each exporter has the authority to sign contracts and other agreements.

Yude and Zhenxing were the only companies to respond to the Department's request for information regarding separate rates. We have found that the evidence on the record demonstrates an absence of government control, both in law and in fact, with respect to their exports according to the criteria identified in *Sparklers* and *Silicon Carbide* for this period of

review, and have assigned to each of these companies a separate rate. For further discussion of the Department's preliminary determination that these two companies are entitled to a separate rate, see Decision Memorandum to Joe Spetrini, Assistant Deputy Secretary, DAS III, dated April 14, 1997, and titled "Separate rates in the 1995/1996 administrative review of sulfanilic acid from the People's Republic of China." This memorandum is on file in the Central Record Unit (room B-099 of the Main Commerce Building).

Collapsing

We have determined, after examining the relevant criteria, that Yude and Zhenxing, are affiliated parties within the meaning of section 771(33)(F) of the Act. We have further determined that these affiliated producers, both of which make export sales to the United States, should be treated as a single entity (*i.e.*, "collapsed") for purposes of assigning an antidumping margin in this review. Section 351.401(f) of the proposed antidumping regulations sets forth the Department's policy with respect to the treatment of affiliated producers in antidumping proceedings. 61 FR 7308, 7329 (February 27, 1996.) Specifically, the Department "will treat two or more affiliated producers as a single entity where those producers have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities and the Secretary concludes that there is a significant potential for the manipulation of price or production." In identifying the potential for manipulation of price or production, the proposed rules provide that the Department may consider the following factors: level of common ownership; whether managerial employees or board members of one of the affiliated producers sit on the board of directors of the other affiliated person; and whether operations are intertwined, such as through the sharing of facilities or employees, or significant transactions between the affiliated parties. A full discussion of our conclusions, requiring reference to proprietary information, is contained in a Department memorandum in the official file for this case (a public version of this memorandum is on file in room B-099 of the Department's main building). Generally, however, we have found that: Yude and Zhenxing are "affiliated" parties, substantial retooling would not be necessary to restructure manufacturing priorities and there is potential for manipulating price and production between the two producers.

As a result we are collapsing Yude and Zhenxing for purposes of conducting the 1995/1996 administrative review.

Use of Facts Otherwise Available

All firms that have not demonstrated that they qualify for a separate rate are deemed to be part of a single enterprise under the common control of the government (the "PRC enterprise"). Therefore, all such entities receive a single margin, the "PRC rate." We preliminarily determine, in accordance with section 776(a) of the Act that resort to the facts otherwise available is appropriate for the PRC rate because companies deemed to be part of the PRC enterprise for which a review was requested have not responded to the Department's antidumping questionnaire.

Where the Department must resort to the facts otherwise available because a respondent fails to cooperate by not acting to the best of its ability to comply with a request for information, 776(b) authorizes the Department to use an inference adverse to the interests of that respondent in choosing from the facts available. Section 776(b) also authorizes the Department to use as adverse facts available information derived from the petition, the final determination, a previous administrative review, or other information placed on the record. The Statement of Administrative Action (SAA) accompanying the URAA clarifies that information from the petition and prior segments of the proceeding is "secondary information." See H. Doc. 3216, 103rd Cong. 2d Sess. 870 (1996). If the Department relies on secondary information as facts available, section 776(c) provides that the Department shall, to the extent practicable, corroborate such information using independent sources reasonably at its disposal. The SAA further provides that "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value. However, where corroboration is not practicable, the Department may use uncorroborated information.

In the present case the Department has based the margin on information in the petition. See *Notice of Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe from South Africa*, 61 FR 24272 (May 14, 1996). In accordance with section 776(c) of the Act, we corroborated the data contained in the petition, as adjusted for intimation purposes, to the extent possible. The petition data on major material inputs are consistent with Indian import statistics, and also with price quotations

obtained by the U.S. Embassies in Pakistan and India. Both of these corroborating sources were placed on the record during the investigation and have been added to the record of this review. In addition, we note that the petition used World Bank labor rates which we have repeatedly found to be a probative source of data. Based on our ability to corroborate other elements of the petition calculation, we preliminarily find that the information contained in the petition has probative value. However, we will continue to evaluate this information on the basis of more current data.

Accordingly, we have relied upon the information contained in the petition. We have assigned to all exporters other than Yude and Zhenxing a margin of 85.20, the margin in the petition, as adjusted by the Department for initiation purposes.

United States Price

For sales made by Yude and Zhenxing, we calculated constructed export price based on FOB prices to unrelated purchasers in the United States. We made deductions for foreign inland freight, ocean freight, U.S. duties, U.S. transportation, credit, warehousing, repacking in the U.S., indirect selling expenses and constructed export price profit, as appropriate, in accordance with section 772(d)(3) of the Act.

Normal Value

For companies located in NME countries, section 773(c)(1) of the Act provides that the Department shall determine NV using a factors of production methodology if (1) the merchandise is exported from an NME country, and (2) the available information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act.

In every case conducted by the Department involving the PRC, the PRC has been treated as an NME country. Pursuant to section 771(18)(C)(i), any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. None of the parties to this proceeding has contested such treatment in this review. Accordingly, we treated the PRC as an NME country for purposes of this review and calculated NV by valuing the factors of production as set forth in section 773(c)(3) of the Act in a comparable market economy country which is a significant producer of comparable merchandise. Pursuant to section 773(c)(4) of the Act, we determined that

India is comparable to the PRC in terms of per capita gross national product (GNP), the growth rate in per capita GNP, and the national distribution of labor, and that India is a significant producer of comparable merchandise. For further discussion of the Department's selection of India as the primary surrogate country, see Memorandum from David Mueller, Director, Office of Policy, to Steve Presing, dated March 20, 1997, "Sulfanilic Acid from the PRC: Nonmarket Economy Status and Surrogate Country Selection," and File Memorandum, dated April 11, 1997, "India as a significant producer of comparable merchandise in the 1995/1996 administrative review of sulfanilic acid from the People's Republic of China," which are on file in the Central Records Unit (room B-099 of the Main Commerce Building).

For purposes of calculating NV, we valued PRC factors of production as follows, in accordance with section 773(c)(1) of the Act:

To value aniline used in the production of sulfanilic acid, we used the rupee per kilogram value of imports into India during April 1995–March 1996, obtained from the March 1996, *Monthly Statistics of the Foreign Trade of India*, Volume II—Imports (*Indian Import Statistics*). Using wholesale price indices (WPI) obtained from the International Financial Statistics, published by the International Monetary Fund (IMF), we adjusted this value to reflect inflation in India through the period of review. We made adjustments to include costs incurred for freight between the Chinese aniline suppliers and the Chinese sulfanilic acid factories, based on freight rates from the August 1993 embassy cable for the *Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers from the People's Republic of China* (58 FR 48833, September 20, 1993) (*Lock Washers*) and the December 22, 1989 embassy cable for the *Final Results of Antidumping Duty Administrative Review: Shop Towels of Cotton from the People's Republic of China* (56 FR 4040, February 1, 1991) and used in *Lock Washers*. These rates were inflated to be concurrent with the period of review.

To value sulfuric acid used in the production of sulfanilic acid, we used the rupee per kilogram value for sales in India during the period of review as reported in *Chemical Weekly*. We have adjusted this value to exclude the Central Excise Tariff of India and the Bombay Sales Tax. We made additional adjustments to include costs incurred for freight between the Chinese sulfuric

acid supplier and the sulfanilic acid factories in the PRC.

To value activated carbon used in the production of sulfanilic acid, we used the rupee per kilogram value for sales in India reported in *Chemical Weekly* from March 1995 to January 1996, adjusting sales outside of the period of review for inflation using the WPI index data from *International Statistics* published by the International Monetary Fund. We made adjustments to include cost incurred for inland freight between Chinese activated carbon suppliers and the sulfanilic acid factories in the PRC.

For direct labor, we used the labor rates reported in the *Economist Intelligence Unit's Investing, Licensing and Trading Conditions Abroad: India*, released November 1995, and November 1996. This source breaks out labor rates between skilled and unskilled labor for 1995, and 1996, and provides information on the number of labor hours worked per week and fringe benefits paid to workers.

For factory overhead, we used information reported in the April 1995 *Reserve Bank of India Bulletin*. From this information, we were able to determine factory overhead as a percentage of total cost of manufacture.

For selling, general and administrative (SG&A) expenses, we used information obtained from the April 1995 Reserve Bank of India Bulletin. We calculated an SG&A rate by dividing SG&A expenses by the cost of manufacture.

To calculate a profit rate, we used information obtained from the April 1995 *Reserve Bank of India Bulletin*. We calculated a profit rate by dividing the before-tax profit by the sum of those components pertaining to the cost of manufacturing plus SG&A.

To value the inner and outer bags used as packing materials, we used import statistics for India obtained from *Indian Import Statistics*. Using WPI obtained from *International Financial Statistics*, we adjusted these values to reflect inflation through the period of review. We adjusted these values to include freight costs incurred between the Chinese plastic bag suppliers and the sulfanilic acid factories in the PRC.

To value coal, we used the price of steam coal reported in the *Gazette of India*, June 16, 1994. We adjusted the value of coal to reflect inflation through the period of review using WPI index data published by the IMF.

To value electricity, we used the simple average of the Indian state electricity rates for the large industry category on March 1, 1995 as reported in *Current Energy Scene in India*, July 1995, by the Centre for Monitoring the

Indian Economy. We adjusted the value of electricity to reflect inflation through the period of review using WPI index data published by the IMF.

To value truck freight, we used the rate reported in an August 1993, cable from the U.S. Embassy in India submitted for the *Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers from the People's Republic of China* (58 FR 48833, September 20, 1993), and added to the record of this review. We adjusted the truck freight rates to reflect inflation through the period of review using WPI data published by the IMF.

To value rail freight, we used the price reported in a December 1989, cable from the U.S. Embassy in India submitted for the *Final Results of Antidumping Duty Administrative Review: Shop Towels of Cotton from the People's Republic of China* (56 FR 4040, February 1, 1991). We adjusted the rail freight rates to reflect inflation through the period of review using WPI data indices published by the IMF.

Preliminary Results of the Review

We preliminarily determine the dumping margin for Yude and Zhenxing for the period August 1, 1995–July 31, 1996 to be 0. The rate for all others firms which have not demonstrated that they are entitled to a separate rate is 85.20. This rate will be applied to all firms other than Yude and Zhenxing, including all firms which did not respond to our questionnaire requests: China National Chemical Import and Export Corporation, Hebei Branch (Sinochem Hebei); China National Chemical Construction Corporation, Beijing Branch; China National Chemical Construction Corporation, Qingdao Branch; Sinchem Qingdao; Sinochem Shandong; Baoding No. 3 Chemical Factory; Jinxing Chemical Factory; Mancheng Zinyu Chemical Factory, Shijiazhuang; Mancheng Xinyu Chemical Factory, Beijing; Hainan Garden Trading Company; and Shunping Lile.

Parties to the proceeding may request disclosure within 5 days of the date of publication of this notice. Any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the publication of this notice or the first workday thereafter. Interested parties may submit case briefs, which should not contain factual information not already on the record of this review, within 30 days of the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs and which should not contain factual information

not already on the record of this review, may be filed not later than 37 days after the date of this preliminary determination.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between United States prices and NV may vary from the percentage stated above. Upon completion of this review, the Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following deposit rates will be effective with respect to all shipments of sulfanilic acid from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(c) of the Act: (1) The cash deposit rate for reviewed companies listed below will be the rates for those firms established in the final results of this review; (2) for companies previously found to be entitled to a separate rate and for which no review was requested, the cash deposit rate will be the rate established in the most recent review of that company; (3) for all other PRC exporters, the cash deposit rate will be the China-wide rate of 85.20; and (4) the cash deposit rate for non-PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Manufacturer/ producer/ exporter	Margin percentage
Yude Chemical Industry, Co.	0
Zhenxing Chemical Industry, Co.	0
PRC Rate	85.2

Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under § 353.26 of the Department's regulation 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 administrative review and notice are in accordance with § 751(a)(1) of the

Act (19 U.S.C. 1674(a)(1)) and § 353.22 of the Department's regulations.

Dated: May 5, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97-12387 Filed 5-9-97; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration A-821-803

Titanium Sponge from the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Preliminary Results of Antidumping Duty Administrative Review

SUMMARY: In response to requests from AVISMA Titanium-Magnesium Works (AVISMA), Interlink Metals, Inc. and Interlink Metals & Chemicals, S.A. (collectively, Interlink), Cometals, Inc. (Cometals), TMC Trading International Ltd. (TMC), and Titanium Metals Corporation (TIMET, a petitioner), the Department of Commerce (the Department) is conducting an administrative review of the antidumping finding on titanium sponge from the Russian Federation (Russia). This notice of preliminary results covers the period August 1, 1995 through July 31, 1996. This review covers one manufacturer/exporter, AVISMA, and three trading companies, Interlink, Cometals, and TMC.

We have preliminarily determined that dumping margins apply during this review period. If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Customs Service (Customs) to assess antidumping duties equal to the difference between the United States price (USP) and the normal value (NV). Interested parties are invited to comment on these preliminary results. Parties who submit arguments in this proceeding are requested to submit with the argument: (1) a statement of the issue; and (2) a brief summary of the argument.

EFFECTIVE DATE: May 12, 1997.

FOR FURTHER INFORMATION CONTACT:

Amy S. Wei or James Terpstra, Office of AD/CVD Enforcement, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution