

Therefore combination rates should not be established.

Department's Position: We agree with the respondents. It has been the Department's practice in cases involving non-market economies to assign rates to exporters rather than producers because it is the exporter who actually determines the price at which the subject merchandise is sold in the United States. See Persulfates from the People's Republic of China, 62 FR 27222, 27227 (May 19, 1997). Moreover, in the preamble to the final regulations (see, Antidumping Duties; Countervailing Duties, 62 FR 27296, 27305 (May 19, 1997)), the Department states that it intends to continue calculating antidumping rates for NME export trading companies, and not the manufacturers supplying the trading companies. Therefore, combination rates in this case are not appropriate.

Final Results of Review

As a result of our analysis of the comments we received, we have made changes to those margins presented in our preliminary results. We determine the following weighted-average margins existed for the period June 1, 1995 through January 31, 1997:

Manufacturer/exporter	Margin (percent)
HIED	2.80
CMIECHN/CNIECHN	1.56
CEIEC *	11.77
Minmetals *	5.88
PRC-wide	143.32

*CEIEC and Minmetals both reported that they had no sales to the United States during the POR. The specific rate for each of these companies will therefore remain unchanged from that determined in the Final Determination of LTFV investigation.

Assessment Rates

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between export price ("EP") and normal value ("NV") may vary from the percentages stated above. We have calculated exporter/importer-specific duty assessment rates based on the ratio of the total amount of duties calculated for the examined sales made during the POR to the total value of subject merchandise entered during the POR. In order to estimate entered value, we subtracted international movement expenses (e.g., international freight and marine insurance) from the gross sales value. This rate will be assessed uniformly on all entries of that particular importer made during the POR. The Department will issue

appraisal instructions directly to the Customs Service.

The following cash deposit requirements will be effective upon publication of this notice of Final Results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) for the companies named above that have separate rates and were reviewed (i.e., China Hunan International Economic Development Corporation (HIED) and China Metallurgical Import & Export Hunan Corporation/Hunan Nonferrous Metals Import & Export Associated Corporation (CMIECHN/CNIECHN)), the cash deposit rates will be the rates listed above specifically for those firms; (2) for companies which established their eligibility for a separate rate in the LTFV investigation but were found not to have exported subject merchandise to the United States during the POR (i.e., China National Electronics Import & Export Hunan Company ("CEIEC") and Minmetals Precious & Rare Minerals Import & Export Co. ("Minmetals")), the cash deposit rates continue to be the currently applicable rates of 11.77% and 5.88%, respectively; (3) for all other PRC exporters, all of which were found not to be entitled to a separate rate, the cash deposit rate will continue to be 143.32%; and (4) for non-PRC exporters of subject merchandise from the PRC, the cash deposit rate will be the rate applicable to the PRC supplier of that exporter. These deposit requirements will remain in effect until publication of the Final Results of the next administrative review.

This notice serves as a 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 has occurred and the subsequent assessment of double antidumping duties.

This notice also serves as the only reminder to parties subject to administrative protective orders ("APOs") of their responsibility concerning disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of the return or 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: March 9, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98-6551 Filed 3-12-98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-501]

Natural Bristle Paintbrushes and Brush Heads From the People's Republic of China; Final Results of Antidumping Duty Administrative Review

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

ACTION: Notice of final results of the antidumping duty administrative review of natural bristle paintbrushes and brush heads from the People's Republic of China.

SUMMARY: On November 7, 1997, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping order on natural bristle paint brushes and brush heads (paint brushes) from the People's Republic of China (PRC). The review covers two exporters of the subject merchandise and the period February 1, 1996 through January 31, 1997.

We gave interested parties an opportunity to comment on our preliminary results. We received comments from Hunan Provincial Native Produce and Animal By-Product Import and Export Corporation (Hunan). We did not receive rebuttal comments. After considering these comments, we have not changed the final results from those presented in the preliminary results of review and have determined that sales have not been made below normal value (NV), as explained below.

EFFECTIVE DATE: March 13, 1998.

FOR FURTHER INFORMATION CONTACT: Eric Scheier or Maureen Flannery, Antidumping/Countervailing Duty Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482-4733.

Applicable Statute

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. In addition, unless otherwise indicated, all citations to the Department's regulations are to the provisions codified at 19 CFR part 353, as of April 1, 1996.

Background

On November 7, 1997, the Department published the preliminary results of review (62 FR 60228). The Department has now completed this administrative review in accordance with section 751 of the Act.

Scope of Review

Imports covered by this review are shipments of natural bristle paint brushes and brush heads from the PRC. Excluded from the order are paint brushes with a blend of 40 percent natural bristles and 60 percent synthetic filaments. The merchandise under review is currently classifiable under item 9603.40.40.40 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and Customs purposes, the written description of the merchandise is dispositive.

This review covers the period February 1, 1996 through January 31, 1997.

Interested Party Comments

We gave interested parties an opportunity to comment on the preliminary results of review. We received comments from Hunan. We did not receive rebuttal comments from any party.

Comment 1

Hunan argues that the Department should correct the calculation of the surrogate overhead rate to avoid double-counting certain overhead expenses. While Hunan notes that all parties agree on the use of Indonesia's *Large and Medium Manufacturing Statistics: 1995, Volume II* as the source of information to be used in calculating a surrogate factory overhead rate, Hunan disagrees with the Department's methodology using these data to calculate the surrogate overhead rate. Hunan states that it was inappropriate for the Department to add "new purchases," "second-hand purchases," and "constructions major repairs and improvements" to the expenses included for total factory overhead.

Hunan claims that "new purchases," "second-hand purchases" and "constructions major repairs and improvements" are incorrectly classified as fixed overhead items, and maintains that these items are properly classified as capital expenditures, which are charged to asset accounts and are included only as a balance sheet item.

Secondly, Hunan states that its own proposed methodology for valuing factory overhead already includes fixed overhead expenses of "repairs and industrial services received" and "rent of building, machinery and equipment." Hunan alleges that the classification of "repairs and industrial services received" and "rent of building, machinery and equipment" as variable overhead expenses is incorrect because neither expense varies in proportion to the number of units produced.

Furthermore, Hunan disagrees with the use of new and second-hand purchases as a proxy for depreciation, which had not been accounted for in Indonesia's *Large and Medium Manufacturing Statistics: 1995, Volume II*. Hunan states that new and second-hand purchases and construction, major repairs and improvements are capital expenses partially expensed through depreciation, and are booked as assets on the balance sheet. The value of fixed assets, Hunan states, is depreciated over time.

Hunan submits that, while the exclusion of depreciation from overhead may artificially depress the surrogate overhead rate, it will artificially inflate the surrogate profit rate calculated as the total value for gross value added output less the amount for total expenditures. Hunan states that, should the Department continue to use the methodology it used in the preliminary results for the final results, an adjustment must be made to the profit calculation to compensate for the exclusion of depreciation from total expenditures.

Lastly, Hunan notes that the methodology proposed by Hunan for the calculation of factory overhead, the SG&A rate, and the profit rate was used previously by the Department in *Notice of Final Determination of Sales at Less than Fair Value: Collated Roofing Nails from the People's Republic of China* 62 FR 51410 (Oct. 1, 1997) (*Roofing Nails*). Hunan further notes that in the initiation of the antidumping investigation on *Bicycles from the People's Republic of China* 60 FR 21065 (May 1, 1995) (*Bicycles*), the Department accepted this same data source and acknowledged that new purchases, second-hand purchases and constructions, major repairs and

improvements were capital expenditures that should not be included in factory overhead.

Department's Position

While we agree with Hunan that new and second-hand purchases and construction, major repairs and improvements are generally considered capital assets rather than overhead items, the fact that, in the data used, they are not recognized as assets and depreciated indicates that they are being recognized in the year in which the expense was incurred, and therefore are appropriately considered overhead expenses. Therefore, we have continued to include these items as overhead expenses. Hunan's assertion that certain items characterized as variable overhead items in our preliminary results are actually fixed overhead items is moot, because for these final results we have not differentiated fixed and variable overhead.

We disagree with Hunan's assertion that the Department must make an adjustment to the profit calculation to compensate for the exclusion of depreciation from total expenditures. As noted above, depreciation was not one of the expense items reported on the income statement, however, the income statement did include a line item for capital assets expensed. These capital assets were expensed during the period rather than capitalized and depreciated. Therefore, it is not appropriate to include an additional amount for depreciation in total expenditures. Furthermore, while we note that the absence of depreciation from factory overhead would cause the factory overhead percentage to be less and profit to be greater than if depreciation existed on the income statement in question, we disagree that we should arbitrarily assign an amount of depreciation to be deducted from profit when depreciation is not recognized on the income statement, nor identified elsewhere.

Finally, we disagree with Hunan that because we used or accepted a certain methodology in *Roofing Nails* and *Bicycles*, we should continue to do so in this review. We have reviewed the methodology used in *Roofing Nails* and *Bicycles*, and have more closely examined the components from which factory overhead was constructed for the current preliminary results. As discussed above, we have determined that "new purchases," "second-hand purchases" and "constructions major repairs and improvements" are overhead items in that they were recognized in the year in which the expenses were incurred and, as stated in

the preliminary results, represent part of the costs incurred to produce the subject merchandise. Therefore, we have determined that the methodology used for the preliminary results, which

includes these items in factory overhead, is the most appropriate for the surrogate data in question. Based on the foregoing we have not changed the calculations for these final results.

Final Results of Review

We determine that the following dumping margins exist:

Manufacturer/exporter	Time period	Margin (percent)
Hunan Provincial Native Produce & Animal By-Products I/E Corp	2/1/96–1/31/97	0.01
PRC-Wide rate	2/1/96–1/31/97	351.92

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between export price and NV may vary from the percentage stated above for Hunan. The Department will issue appraisal instructions on each exporter directly to the Customs Service.

Furthermore, the following deposit rates will be effective upon publication of this notice of final results of review for all shipments of paint brushes 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) for Hunan, which was found to merit a separate rate for the final results of this review, the cash deposit rate will be zero, because the company-specific rate established in the final results of this administrative review is, in accordance with 19 CFR 353.6, de minimis, i.e., less than 0.5 percent; (2) for all other PRC exporters, the cash deposit rate will be the PRC-wide rate, which is 351.92 percent; (3) for previously reviewed non-PRC exporters, the cash deposit rate will be the rate established in the most recent segment of the proceeding; and (4) for all other non-PRC exporters of subject merchandise from the PRC, the cash deposit rate will be the rate applicable to the PRC supplier of that exporter.

These deposit rates, 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 subsequent assessment of double antidumping duties.

Notification to Interested Parties

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 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 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: March 9, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

Applications for Duty-Free Entry of Scientific Instruments

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

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

Docket Number: 98-010. Applicant: Montana State University—Bozeman, Physics Department, EPS Building, Bozeman, MT 59717. Instrument: Optical Helium Cryostat. Manufacturer:

Institute of Physics, National Academy of Sciences of Ukraine, C.I.S. Intended Use: The instrument will be used to perform both spectroscopic and holographic experiments and various combinations thereof. These experiments will involve the study of (1) crystalline and polymeric dye-doped materials which show complicated photochemical transformation behavior at low temperatures and (2) the dependence of these processes on temperature and on the illumination conditions. Application accepted by Commissioner of Customs: February 13, 1998.

Docket Number: 98-011. Applicant: University of Wisconsin-Madison, Kegonsa Research Campus, 3725 Schneider Drive, Stoughton, WI 53589. Instrument: Hydrostatic Leveling System. Manufacturer: Fogale-Nanotech, France. Intended Use: The instrument will be used for studies of the vertical positional stability of very sensitive monitors and magnetic elements in an electron storage ring. The objective of the investigations is to produce a circulating electron beam in a storage ring which will be stable to micron level in position. In turn, this produces a radiation source for optical beamlines and user instrumentation that is stable to the same level. Concurrent with improved positional stability, is also an improvement in angular stability of the radiation. Application accepted by Commissioner of Customs: February 13, 1998.

Docket Number: 98-012. Applicant: University of New Orleans, Lakefront, Science Building, Room 2007, New Orleans, LA 70148. Instrument: Electron Microscope, Model JEM-2010. Manufacturer: JEOL, Ltd., Japan. Intended Use: The instrument will be used to study the physio-chemical properties of inorganic particulates in the environment and thin film. These particles will include naturally occurring mineral fibers, synthetic vitreous fibers, clays, talc, zeolites, crystalline silica polymorphs, titania polymorphs, ceramics or other particulates. The thin films will include