

transformers from Italy, covering the period June 1, 1994, through May 31, 1995, because it is not practicable to complete the review within the time limits mandated by the Tariff Act of 1930, as amended (19 U.S.C. 1675(a)) (the Act).

EFFECTIVE DATE: April 4, 1996.

FOR FURTHER INFORMATION CONTACT: Kris Campbell, Andrea Chu or Michael Rill, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-4733.

SUPPLEMENTARY INFORMATION:

Background

The Department received a request to conduct an administrative review of the antidumping finding on large power transformers from Italy. On August 16, 1995, the Department published a notice of initiation of this administrative review covering the period June 1, 1994, through May 31, 1995. The Department adjusted the time limits by 28 days due to the government shutdowns, which lasted from November 14, 1995, to November 20, 1995, and from December 15, 1995, to January 6, 1996. See Memorandum to the file from Susan G. Esserman, Assistant Secretary for Import Administration, January 11, 1996. As adjusted, the current time limits are March 29, 1996, for the preliminary results and July 27, 1996, for the final results.

It is not practicable to complete this review within the time limits mandated by section 751(a)(3)(A) of the Act. Therefore, in accordance with that section, the Department is extending the time limits for the preliminary results to July 27, 1996, and for the final results to January 23, 1997.

Interested parties must submit applications for disclosure under administrative protective order in accordance with 19 CFR 353.34 (b).

These extensions are in accordance with section 751(a)(3)(A) of the Act.

Dated: March 29, 1996.

Joseph A. Spetrini,
Deputy Assistant Secretary for Compliance.
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[A-588-810]

Mechanical Transfer Presses From Japan; Preliminary Results and Termination in Part of Antidumping Administrative Review

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice of preliminary results and termination in part of antidumping duty administrative review; mechanical transfer presses from Japan.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on mechanical transfer presses (MTPs) from Japan in response to a request by petitioners, Verson Division of Allied Products Corp., the United Autoworkers of America, and the United Steelworkers of America (AFL-CIO/CLC); and by respondents Aida Engineering, Ltd. (Aida) and Mitsui and Co. (U.S.A), Inc. (Mitsui), an importer. This review covers shipments of this merchandise to the United States during the period February 1, 1994 through January 31, 1995.

We have preliminarily determined that sales have been made below normal value (NV). If these preliminary results are adopted in our final results, we will instruct U.S. Customs to assess antidumping duties equal to the differences between the export price and NV.

Interested parties are invited to comment on these preliminary results. Parties who submit argument are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: April 4, 1996.

FOR FURTHER INFORMATION CONTACT: Elisabeth Urfer or Maureen Flannery, Office of Antidumping Compliance, 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 (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).

SUPPLEMENTARY INFORMATION:

Background

The Department published in the Federal Register an antidumping order on MTPs from Japan on February 16, 1990 (55 FR 5642). On February 2, 1995, we published in the Federal Register (60 FR 6524) a notice of opportunity to request an administrative review of the antidumping order on MTPs from Japan covering the period February 1, 1994 through January 31, 1995.

In accordance with 19 CFR 353.22(a)(1)(1995), petitioners, Verson Division of Allied Products Corp., the United Autoworkers of America, and the United Steelworkers of America (AFL-CIO/CLC), requested that we conduct a review of Komatsu, Ltd. and Komatsu America Industries Corp. (Komatsu), Ishikawajima-Harima Heavy Industries Co., Ltd. (IHI) and Hitachi Zosen Corporation (Hitachi Zosen). Aida requested that we conduct an administrative review of its sales. Mitsui, an importer, requested that we conduct an administrative review of the sales of Kurimoto, Ltd. (Kurimoto). We published a notice of initiation of this antidumping duty administrative review on March 15, 1995 (60 FR 13955). The Department is conducting this administrative review in accordance with section 751 of the Act.

Termination of Review in Part

On July 31, 1995, petitioners withdrew their request for review with respect to sales made by Hitachi. On August 7, 1995, Hitachi expressed its support of petitioner's request to terminate the review with respect to its sales, and requested that the Department grant petitioner's request. At the time petitioner submitted its request, more than ninety days had elapsed since the initiation of this review. Section 353.22(a)(5) of the Department's regulations states that the ninety days which a party has to withdraw a request may be extended at the discretion of the Department. As both parties agreed that we should terminate the review for Hitachi, granting petitioner's request would not prejudice any party in this proceeding. In accordance with 19 CFR 353.22(a)(5), we are terminating the review with respect to Hitachi. (See *Memorandum from Laurie Parkhill to Holly Kuga*, dated August 22, 1995.)

Scope of Review

Imports covered by this review include MTPs currently classifiable under Harmonized Tariff Schedule (HTS) item numbers 8462.99.0035 and

8466.94.5040. The HTS numbers are provided for convenience and for U.S. Customs purposes. The written description remains dispositive of the scope of the order.

The term "mechanical transfer presses" refers to automatic metal-forming machine tools with multiple die stations in which the work piece is moved from station to station by a transfer mechanism designed as an integral part of the press and synchronized with the press action, whether imported as machines or parts suitable for use solely or principally with these machines. These presses may be imported assembled or unassembled. This review does not cover spare and replacement parts and accessories, which were determined to be outside the scope of the order. (See "Final Scope Ruling on Spare and Replacement Parts," U.S. Department of Commerce, March 20, 1992.)

This review covers four manufacturers/exporters of MTPs, and the period February 1, 1994 through January 31, 1995.

Verification

We conducted verification of Kurimoto's questionnaire response in Osaka, Japan, from September 25 through September 29, 1995.

Export Price

A. Kurimoto

For sales made by Kurimoto we calculated an export price, in accordance with section 772(a) of the Act, because the subject merchandise was sold to unrelated purchasers in the United States prior to importation into the United States.

We calculated export price based on the delivered price to unrelated purchasers. We made deductions for foreign inland freight and brokerage and handling.

B. Aida

Aida exported three MTPs to the United States during the period of review, but requested that we exclude two of its sales from this administrative review. Of these sales, one was a refurbished MTP, which we have excluded from this administrative review. The second was a transfer unit, an integral part of an MTP, which was imported for incorporation into a new MTP, the remaining components of which were manufactured in Taiwan. We have preliminarily determined to include this transfer unit in this administrative review.

With regard to the refurbished press, Aida stated that it sold the MTP in 1980

to a Japanese company, and that the company used the press in Japan for fifteen years. Aida stated that it refurbished the press, and shipped it to the original owner's subsidiary in the United States during the period of review. The refurbishing carried out by Aida is essentially a service. Therefore, we have concluded that this transaction is not an MTP sale made by Aida during the POR and have excluded it from the margin calculation for Aida in this administrative review. (See *Memorandum from Holly Kuga to Joseph A. Spetrini*, dated March 22, 1996.)

With regard to the transfer unit, Aida states that, in its view, the unit should be excluded from this review because the order covers complete MTPs, and the transfer unit is only an MTP component. Aida also states that the country of origin of this MTP is Taiwan. However, we note that the scope includes "parts suitable for use solely or principally" with MTPs. Therefore, because the transfer unit was imported as an original equipment part of an MTP, we have preliminarily determined to include the transfer unit in this review.

For sales made by Aida we calculated an export price, or a constructed export price, as appropriate. We calculated export price in accordance with section 772(a) of the Act, for subject merchandise that was sold to unrelated purchasers in the United States prior to importation into the United States. We calculated export price based on the delivered price to unrelated purchasers. We made deductions for foreign inland freight, insurance, and U.S. transportation.

We also calculated a constructed export price in accordance with section 772(b) of the Act, for the transfer unit that was first sold in the United States by a seller affiliated with Aida. We calculated constructed export price based on the delivered price to unrelated purchasers. We made deductions for foreign inland freight, insurance, brokerage and handling, U.S. duties, U.S. transportation, credit, warranties, direct selling expenses and indirect selling expenses, and constructed export price profit, in accordance with 772(d)(3) of the Act. Because there was a single U.S. price for the transfer unit and the Taiwan-manufactured components, we deducted the value of the Taiwan manufacturing, including an amount for profit on the Taiwan-manufactured components, from the starting price in our calculation of export price.

Normal Value

We preliminarily determine that the use of constructed value (CV) is warranted to calculate NV for Kurimoto and Aida, in accordance with section 773(a) of the Act. While the home market is viable, the particular market situation in this case, which requires that the subject merchandise be built to each customer's specifications, does not permit proper price-to-price comparisons in either the home markets or third countries.

Aida and Kurimoto both argue that the Department should use CV as the basis for NV. Aida argues that home market, third country, and U.S. market products are differentiated by the many differences in specifications between the various presses and that no merchandise sold in the home market or to a third country is identical to the merchandise sold to the United States. Kurimoto states that MTPs are extremely complex pieces of equipment consisting of thousands of different components and requiring months to produce, and even if costs could be linked to specific physical characteristics, thousands of adjustments would be required. We note that in past proceedings involving large, custom-built capital equipment, including prior reviews of this order, we have normally resorted to CV. (See, e.g., *Large Power Transformers from France: Final Result of Antidumping Administrative Review*, 60 FR 62808, December 7, 1995; and *Mechanical Transfer Presses From Japan: Final Results of Antidumping Duty Administrative Review*, 58 FR 68117, December 23, 1993.)

A. Kurimoto

For Kurimoto, CV consists of the cost of materials and fabrication, selling, general and administrative (SG&A) expenses, profit, and packing. We used packing costs for merchandise exported to the United States. We made a circumstance-of-sale adjustment by adding to CV U.S. technical service expenses and credit.

B. Aida

For Aida's export price sale, CV consists of the cost of materials and fabrication, SG&A, profit, and packing. We used packing costs for merchandise exported to the United States. We made a circumstance-of-sale adjustment by deducting from CV home market direct selling expenses, i.e., warranties and commissions, and adding to CV U.S. direct selling expenses, i.e., warranties, commissions, and credit.

For Aida's constructed export price sale, CV consists of the cost of materials

and fabrication, SG&A, profit, and packing. We used packing costs for merchandise exported to the United States. We made a circumstance-of-sale adjustment by deducting from CV home market direct selling expenses, *i.e.*, warranties and credit.

Use of Facts Otherwise Available

We preliminarily determine, in accordance with section 776(c) of the Act, that the use of facts available is appropriate for Komatsu because it did not respond to the Department's antidumping questionnaire. We sent Komatsu a questionnaire on June 23, 1995, with deadlines of July 7, 1995 for section A and Appendix V and August 22, 1995 for the remaining sections. On July 7, 1995 Komatsu submitted a letter to the Department stating that it had no exports of the subject merchandise, but that it did export a small portion of parts. Komatsu stated that it was filing a scope request and requested an extension until the Department made a scope determination. On July 10, 1995, we granted Komatsu an extension until July 12, 1995 to respond to Section A and Appendix V, but stated that, because we are conducting this review under statutory deadlines, we could not grant Komatsu the extension it requested. Komatsu requested, and we granted, another extension until July 19, 1995, in which to respond to Section A and Appendix V.

On July 19, 1995, we received a response to section A and Appendix V. In its response Komatsu stated that it had no sales to the United States. We did not receive a response to the remaining sections of the questionnaire. However, because a determination regarding the parts, which are subject to the scope inquiry, has not been reached, we consider those parts to be subject to

this administrative review. The necessary information is not available on the record with regard to the nature of the parts because Komatsu withheld the requested information. Therefore, we must make our preliminary determination based on facts otherwise available (section 776(a) of the Act). We intend to issue a scope ruling before the final results of this review. Should the Department clarify the scope of the order to exclude the parts in question, we will adjust our final results for Komatsu accordingly.

Where the Department must base the entire dumping margin for a respondent in an administrative review on the facts available because that respondent failed to cooperate, section 776(b) authorizes the Department to use an inference adverse to the interests of that respondent in choosing 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. Because information from prior proceedings constitutes secondary information, section 776(c) provides that the Department shall, to the extent practicable, corroborate that secondary information from independent sources reasonably at its disposal. The Statement of Administrative Action (SAA) provides that "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value.

To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. However, unlike other types of information, such as input costs or

selling expenses, there are no independent sources for calculated dumping margins. The only source for margins is administrative determinations. Thus, in an administrative review, if the Department chooses as total adverse facts available a calculated dumping margin from a prior segment of the proceeding, it is not necessary to question the reliability of the margin for that time period. With respect to the relevance aspect of corroboration, however, the Department will consider information reasonably at its disposal as to whether there are circumstances that would render a margin not relevant. Where circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin (*see, e.g., Fresh Cut Flowers from Mexico; Preliminary Results of Antidumping Duty Administrative Review* (60 FR 49567), where the Department disregarded the highest margin in that case as adverse BIA because the margin was based on another company's uncharacteristic business expense resulting in an unusually high margin). In this case, we have used the highest rate from any prior segment of the proceeding, 15.16 percent rate.

Non-shipper

IHI stated that it did not have shipments during the period of review, and we confirmed this with the United States Customs Service. Therefore, we are treating IHI as a non-shipper for this review. IHI will retain its rate from the last administrative review.

Preliminary Results of the Review

We preliminarily determine that the following dumping margins exist:

Manufacturer/exporter	Time period	Margin (percent)
Aida Engineering, Ltd.	2/1/94-1/31/95	0.00
Kurimoto, Ltd.	2/1/94-1/31/95	0.00
Komatsu America Industries Corporation	2/1/94-1/31/95	15.16
Ishikawajima-Harima Heavy Industries, Ltd.	2/1/94-1/31/95	0.00

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 within 30 days of the date of publication of this notice. Rebuttal briefs, which

must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will publish a notice of final results of this administrative review, which will include the results of its analysis of issues raised in any such comments.

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. Upon completion of this review, the Department will issue appraisal instructions directly to the Customs Service.

Furthermore, the following deposit rates will be effective upon publication of the final results of these administrative reviews for all shipments of MTPs from Japan 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 will be the rate established in the final results of this review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review or the original less-than-fair-value 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) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be the rate established in the investigation of sales at less than fair value, which is 14.51 percent.

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

This notice also serves as a preliminary 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 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 27, 1996.

Susan G. Esserman,
Assistant Secretary for Import
Administration.

[FR Doc. 96-8220 Filed 4-3-96; 8:45 am]

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[A-570-501]

Natural Bristle Paint Brushes and Brush Heads From The People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Preliminary Results of the Antidumping Duty Administrative Review of Natural Bristle Paint Brushes and Brush Heads from the People's Republic of China.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on natural bristle paint brushes and brush heads (paint brushes) from the People's Republic of China (PRC) in response to requests by importers, Great American Marketing, Inc. and Brenner Associates, Ltd., and by a domestic interested party, EZ Paints Corporation (EZ Paints). This review covers shipments of this merchandise to the United States during the period February 1, 1994, through January 31, 1995.

We have preliminarily determined that sales have been made below normal value (NV). If these preliminary results are adopted in our final results, we will instruct U.S. Customs to assess antidumping duties equal to the difference between the export price and NV.

Interested parties are invited to comment on these preliminary results. Parties who submit argument are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: April 4, 1996.

FOR FURTHER INFORMATION CONTACT: Elisabeth Urfer or Maureen Flannery, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington DC 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 (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

The Department published in the Federal Register an antidumping duty order on paint brushes from the PRC on February 14, 1986 (51 FR 5580). On February 2, 1995, the Department published in the Federal Register (60 FR 6524) a notice of opportunity to request an administrative review of the antidumping duty order on paint brushes from the PRC covering the period February 1, 1994, through January 31, 1995.

In accordance with 19 CFR 353.22(a), Great American Marketing, Inc.,

requested that we conduct an administrative review of Yixing Sanai Brush Making Co., Ltd. (Yixing), and Eastar B.F. (Thailand) Company Ltd. (Eastar); Brenner Associates requested that we conduct an administrative review of Hebei Animal By-Products I/E Corp. (HACO), China National Metals & Minerals I/E Corp, Zhenjiang Trading Corp. (Zhenjiang Trading), and Inner Mongolia Autonomous Region Light Industrial Products I/E Corp.; and EZ Paints requested that we conduct an administrative review of China National Native Produce and Animal By-Products Import-Export Corporation, HACO, Zhenjiang Trading, and the Inner Mongolia Autonomous Region Light Industrial Products I/E. We published a notice of initiation of this antidumping duty administrative review on March 15, 1995 (60 FR 13955). The Department is conducting 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. 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, 1994, through January 31, 1995, and covers six producers/exporters of Chinese paint brushes.

Separate Rates

To establish whether a company operating in a state-controlled economy is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity under the test established in *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 non-market economies (NMEs) are entitled to separate, company-specific margins when they can demonstrate an absence of government control, both in law and in fact, with respect to exports. 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