

	Period
Japan: Impression Fabric, A-588-066 .....	5/1/96-4/30/97
Japan: Polyvinyl Alcohol, A-588-836 .....	10/10/95-4/30/97
Japan: Spherical Plain Bearings, A-588-804 .....	5/1/96-4/30/97
Romania: Ball Bearings, A-485-801 .....	5/1/96-4/30/97
Russia: Pure Magnesium, A-821-805 .....	5/1/96-4/30/97
Singapore: Ball Bearings, A-559-801 .....	5/1/96-4/30/97
South Korea: Malleable Cast Iron Pipe Fittings, Other than Grooved, A-580-507 .....	5/1/96-4/30/97
South Korea: DRAMs, A-580-812 .....	5/1/96-4/30/97
Sweden: Ball Bearings, A-401-801 .....	5/1/96-4/30/97
Sweden: Cylindrical Roller Bearings, A-401-801 .....	5/1/96-4/30/97
Taiwan: Certain Welded Carbon Steel Pipe & Tubes, A-583-008 .....	5/1/96-4/30/97
Taiwan: Malleable Cast Iron Pipe Fittings, Other Than Grooved, A-583-507 .....	5/1/96-4/30/97
Taiwan: Polyvinyl Alcohol, A-583-824 .....	10/10/95-4/30/97
Thailand: Ball Bearings, A-549-801 .....	5/1/96-4/30/97
The People's Republic of China: Construction Castings, A-570-502 .....	5/1/96-4/30/97
The People's Republic of China: Polyvinyl Alcohol, A-570-842 .....	10/10/95-4/30/97
The People's Republic of China: Pure Magnesium, A-570-832 .....	5/1/96-4/30/97
The Ukraine: Pure Magnesium, A-823-806 .....	5/1/96-4/30/97
The United Kingdom: Ball Bearings, A-412-801 .....	5/1/96-4/30/97
The United Kingdom: Cylindrical Roller Bearings, A-412-801 .....	5/1/96-4/30/97
Turkey: Pipes and Tubes, A-489-501 .....	5/1/96-4/30/97
<i>Countervailing Proceedings:</i>	
Brazil: Certain Heavy Iron Construction Castings, C-351-504 .....	1/1/96-12/31/96
Sweden: Viscose Rayon Staple Fiber, C-401-056 .....	1/1/96-12/31/96
Venezuela: Ferrosilicon, C-307-808 .....	1/1/96-12/31/96

In accordance with sections 353.22(a) and 355.22(a) of the regulations, an interested party as defined by section 353.2(k) may request in writing that the Secretary conduct an administrative review. The Department has changed its requirements for requesting reviews for countervailing duty orders. Pursuant to 19 CFR 355.22(a) of the regulations, an interested party must specify the individual producers or exporters covered by the order or suspension agreement for which they are requesting a review (Interim Regulations, 60 FR 25130, 25137 (May 11, 1995)). Therefore, for both antidumping and countervailing duty reviews, the interested party must specify for which individual producers or exporters covered by an antidumping finding or an antidumping or countervailing duty order it is requesting a review, and the requesting party must state why it desires the Secretary to review those particular producers or exporters. If the interested party intends for the Secretary to review sales of merchandise by an exporter (or a producer if that producer also exports merchandise from other suppliers) which were produced in more than one country of origin, and each country of origin is subject to a separate order, then the interested party must state specifically, on an order-by-order basis, which exporter(s) the request is intended to cover.

Seven copies of the request should be submitted to the Assistant Secretary for Import Administration, International Trade Administration, Room 1870, US Department of Commerce, 14th Street &

Constitution Avenue, NW., Washington, DC 20230. The Department also asks parties to serve a copy of their requests to the Office of Antidumping/Countervailing Enforcement, Attention: Sheila Forbes, in room 3065 of the main Commerce Building. Further, in accordance with section 353.31(g) or 353.31(g) of the regulations, a copy of each request must be served on every party on the Department's service list.

The Department will publish in the **Federal Register** a notice of "Initiation of Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation" for requests received by the last day of May 1997. If the Department does not receive, by the last day of May 1997, a request for review of entries covered by an order, finding, or suspended investigation listed in this notice and for the period identified above, the Department will instruct the Customs Service to assess antidumping or countervailing duties on those entries at a rate equal to the cash deposit of (or bond for) estimated antidumping or countervailing duties required on those entries at the time of entry, or withdrawal from warehouse, for consumption and to continue to collect the cash deposit previously ordered.

This notice is not required by statute but is published as a service to the international trading community.

Dated: April 28, 1997.

**Jeffrey P. Bialos,**

*Principal Deputy Assistant Secretary for Import Administration.*

[FR Doc. 97-11461 Filed 5-1-97; 8:45 am]

BILLING CODE 3510-DS-M

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-535-001]

#### **Cotton Shop Towels from Pakistan; Final Results of Countervailing Duty Administrative Reviews**

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

**ACTION:** Notice of final results of countervailing duty administrative reviews.

**SUMMARY:** On September 25, 1996, the Department of Commerce (the Department) published in the **Federal Register** its preliminary results of administrative reviews of the countervailing duty order on cotton shop towels from Pakistan for the periods January 1, 1992 through December 31, 1992 and January 1, 1993 through December 31, 1993. We have completed these reviews and determine the net subsidy to be 7.81 percent *ad valorem* for all companies for 1992. For 1993, we determine the net subsidy to be 11.50 percent *ad valorem* for Eastern Textiles (Eastern), 11.54 percent *ad valorem* for Creation (Pvt.), Ltd. (Creation), and 5.02 percent *ad valorem*

for all other companies. We will instruct the U.S. Customs Service to assess countervailing duties as indicated above.

**EFFECTIVE DATE:** May 2, 1997.

**FOR FURTHER INFORMATION CONTACT:**

Lorenza Olivas or Kelly Parkhill, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-2786.

**SUPPLEMENTARY INFORMATION:**

**Background**

On September 25, 1996, the Department published in the **Federal Register** (61 FR 50273) the preliminary results of its administrative reviews of the countervailing duty order on cotton shop towels from Pakistan. The Department has now completed these administrative reviews in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

We invited interested parties to comment on the preliminary results. On October 24, 1996, the Government of Pakistan, the Towel Manufacturers Association of Pakistan, and the exporters of shop towels from Pakistan (respondents), submitted case briefs. On November 1, 1996, we received rebuttal briefs from Milliken & Company, petitioner. The reviews cover the periods January 1, 1992 through December 31, 1992 and January 1, 1993 through December 31, 1993. The 1992 review covers 17 manufacturers/exporters of the subject merchandise. The 1993 review covers 20 manufacturers/exporters. Both reviews cover five programs.

**Applicable Statute and Regulations**

The Department is conducting these administrative reviews in accordance with section 715(a) of the Act. Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994. References to the Department's *Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments*, 54 FR 23366 (May 31, 1989) (*Proposed Regulations*), are provided solely for further explanation of the Department's countervailing duty practice. Although the Department has withdrawn the particular rulemaking proceeding pursuant to which the *Proposed Regulations* were issued, the subject matter of these regulations is being considered in connection with an ongoing rulemaking proceeding which, among other things, is intended to

conform the Department's regulations to the Uruguay Round Agreements Act. See 60 FR 80 (Jan. 3, 1995).

**Scope of the Review**

The subject merchandise is cotton shop towels from Pakistan. During the review periods, this merchandise was classifiable under item number 6307.10.20 of the Harmonized Tariff Schedule (HTS). The HTS item number is provided for convenience and Customs purposes. The written description remains dispositive.

**Best Information Available for Creation**

Section 776(c) of the Act requires the Department to use best information available (BIA) "whenever a party or any other person refuses or is unable to produce information requested in a timely manner and in the form required, or otherwise significantly impeded an investigation."

In determining what rate to use as BIA, the Department follows a two-tiered methodology. The Department assigns lower BIA rates to those respondents who cooperated in an administrative review (tier two) and rates based on more adverse assumptions to respondents who did not cooperate, or significantly impeded the proceeding (tier one). See *Allied Signal Aerospace Co. v. United States*, 28 F. 3d 1188 (Fed. Cir. 1994), cert. denied, 1995 U.S. Lexis 100 (1995). Creation, an exporter only during 1993, did not respond to the Department's initial or two supplemental questionnaires. However, the Government of Pakistan provided information regarding Creation's volume and value of exports during the 1993 administrative review period and regarding Creation's non-use of certain programs during that review period. For these final results we have utilized the information provided by the Government of Pakistan to the extent that it permitted us to calculate a program-specific rate for Creation. See, *Certain Steel Products from Italy; Affirmative Countervailing Duty Determinations* (58 FR 37327, 37329; July 9, 1993). In the case of two programs, this information was inadequate and, in accordance with section 776 of the Act, we assigned to Creation a tier-one BIA rate for those programs for 1993. This tier-one BIA rate is the highest individual rate found, either in the investigation or in a subsequent administrative review, for these programs.

Most companies did not provide information for either review period regarding the benefits received under the Income Tax Reduction Program. For

these companies, we used tier one BIA for this program in both reviews. For 1993, eight companies did attempt to cooperate but provided inadequate information as to the benefit received under this program. For these companies, we used tier two BIA.

**Calculation Methodology for Assessment and Cash Deposit Purposes**

In accordance with *Ceramica Regiomontana, S.A. v. United States*, 853 F. Supp. 431 (CIT 1994) (*Ceramica*), we calculated the net subsidy on a country-wide basis by first calculating the total subsidy rate for each company subject to the administrative review. We then weighted the rate received by each company using as the weight its share of total exports to the United States of subject merchandise, including all companies, even those with *de minimis* and zero rates. We then summed the individual companies' weighted rates to determine the country-wide, weighted-average subsidy rate from all programs benefiting exports of subject merchandise to the United States.

Since the country-wide rate calculated using this methodology was above *de minimis*, as defined by 19 CFR § 355.7 (1994), for each review period, we examined the net subsidy rate calculated for each company to determine whether individual company rates differed significantly from the weighted-average country-wide rate, pursuant to 19 CFR § 355.22(d)(3). None of the companies had net subsidy rates which were significantly different during the 1992 review period pursuant to 19 CFR § 355.22(d)(3). Therefore, all companies are assigned the country-wide rate in 1992. In 1993, Eastern had a significantly different rate. Based on BIA, Creation also had a significantly different rate. These companies are treated separately for assessment and cash deposit purposes. All other companies are assigned the country-wide rate.

**Analysis of Programs**

Based upon responses to our questionnaire and written comments from the interested parties, we determine the following:

**I. Programs Conferring Subsidies**

**A. Export Financing**

In the preliminary results, we found that this program conferred countervailable benefits on the subject merchandise. Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings from the preliminary results. On this basis, we

determine the net subsidy from this program for 1992 to be 0.72 percent *ad valorem* for all manufacturers and exporters of shop towels from Pakistan. For 1993, we determine the net subsidy from this program to be 0.49 percent *ad valorem* for all manufacturers and exporters of shop towels from Pakistan, except for Eastern, who has a significantly different subsidy rate. The rate for Eastern is 6.31 percent *ad valorem*. As BIA, we assigned to Creation the rate determined for Eastern in this review period because it is the highest rate calculated for any company that used this program in any administrative review.

#### *B. Excise Tax, Sales Tax and Customs Duty Rebate Programs*

In the preliminary results, we found that these programs conferred countervailable benefits on the subject merchandise. Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings from the preliminary results. On this basis, we determine the net subsidy from these programs to be 5.67 percent *ad valorem* for all manufacturers and exporters of shop towels from Pakistan during 1992. For 1993, we determine the net subsidy from these programs to be 3.35 percent *ad valorem* for all manufacturers and exporters of shop towels from Pakistan, including Creation. Because we had adequate information on the record for this program for Creation to calculate a benefit from this program, we did not assign BIA to that company.

#### *C. Income Tax Reductions*

In the preliminary results, we found that this program conferred countervailable benefits on the subject merchandise. Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings from the preliminary results. On this basis, we determine the net subsidy from this program to be 1.42 percent *ad valorem* for all manufacturers and exporters of shop towels from Pakistan during 1992. For 1993, we determine the net subsidy from this program to be 1.19 percent *ad valorem* for all manufacturers and exporters of shop towels from Pakistan, except for Eastern Textiles and Creation, who had significantly different overall subsidy rates. For Eastern, we calculated the benefit to be 1.84 *ad valorem*. For Creation, we assigned a tier one BIA rate of 1.88 percent *ad valorem* because it is the highest rate calculated for any company that used this program in any administrative review.

## **II. Programs Found to be Not Used**

In the preliminary results, we found that the producers and/or exporters of the subject merchandise did not apply for or receive benefits under the following programs:

- Import Duty Rebates
- Export Credit Insurance

Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings from the preliminary results.

#### *Analysis of Comments*

##### *Comment 1*

Respondents argue that for those firms that attempted to respond to questions regarding the income tax reduction program but were unable to do so, the Department should not apply as BIA the highest rate from a prior review, particularly since the benefit from the program was significantly reduced during the review period. Rather, the Department should apply the highest rate found for the program for a responding company in this review.

Petitioner, on the other hand, argues that the Department should continue to use as BIA the highest rate found in a previous review.

*Department's Position:* We disagree with respondents. In this initial questionnaire, the Department requested information regarding the income tax program which was available to exporters of shop towels. In supplemental questionnaires, we again requested the information needed to determine the extent of benefits from this program. While most respondents attempted to respond, some failed to provide the specific program information requested. Section 776(c) of the Tariff Act requires the Department to rely upon the best information otherwise available to establish a respondent's benefits when necessary information is not available on the record or a party refuses or is unable to produce the information requested. See also 19 CFR section 355.37 and section 355.35 of the Department regulations. The Department applies two types of BIA: First tier BIA is used when a respondent refuses to cooperate or substantially impedes a proceeding; second tier BIA is used when a respondent has substantially cooperated but failed to provide the information in a timely manner or in the form required.

Where an exporter cooperated by attempting to provide data, but failed to provide adequate information on which to calculate benefit during 1993, we relied on company-specific information provided in the 1992 review for tier two

BIA. Where a firm failed to provide specific program information and there was no information on the record, we used tier one BIA for both reviews. This tier one BIA is the highest individual rate found, either in the investigation or in a subsequent administrative review, for this program. The Department's use of BIA in this manner is in accordance with the Department's practice and judicial precedent; therefore, we have not changed the BIA from the preliminary results.

##### *Comment 2*

Respondents argue that in calculating the benefit derived from the income tax reduction in 1993, when the new system of tax collection (preemptive tax) for exporters was in effect for the entire year, the Department inappropriately added benefits under the previous program to the benefits provided from the current program. Respondents contend that the Department should determine the benefit to be either the *ad valorem* tax benefit found for each responding company using the information provided or simply the preemptive tax rate in effect in 1993. According to respondents, they received benefits from one or the other system, but not from both.

Petitioner disagrees with respondents' position. Petitioner contends that given respondents failure to provide data required to calculate the income tax reduction benefit, the Department must assign these companies as best information available the highest rate found in a previous review. Otherwise, it should use the rates applied in the preliminary results.

*Department's positions:* We disagree with respondents. The Department's tax methodology is based on a cash flow basis which for countervailing duty purposes means that the benefit occurs when the tax benefit is realized by the firm receiving the benefit. Section 355.48(b) of the *Proposed Regulations* states that, "[T]he cash flow and economic effect of a benefit normally occurs when a firm experiences a difference in cash flow, either in the payment it receives or the outlays it makes, as result of its receipt of the benefit." In the case of a direct tax, ordinarily the cash flow occurs at the time a firm can calculate the amount of benefit, which normally will be the time at which a company files its tax return. In Pakistan, the fiscal tax year for the exporters ends in March. Tax returns for one year are filed the following year. Thus, any tax benefits earned during a given fiscal year are received by the exporters in the following year. Since the prior tax system was still in effect

during part of 1992, exporters received an income tax deduction reflected in the tax return for tax fiscal year 1992/1993 filed in 1993. Thus, according to our cash flow methodology, benefits from the previous program were realized in 1993. Moreover, under the preemptive tax system, which was in effect in 1993, commercial banks were required to withhold the income tax at the source from all foreign exchange proceeds. The amount withheld became the company's final tax liability. Therefore, under the new tax system of collecting income tax from exporters, the benefit is effectively realized by the firm at the time the banks withhold the income tax. Accordingly, the Department was correct in adding benefits derived under both tax systems to determine the benefit derived from this program in 1993.

#### Comment 3

Respondents argue that the excise tax rebate should not be found countervailable because the excise tax is paid on cotton yarn and then rebated upon export. Petitioner argues that the Department correctly calculated the benefit from the export tax credit because the Government of Pakistan failed to establish the required linkage between the taxes paid and the rebates received.

*Department's Position:* We agree with petitioner. In the investigation and subsequent reviews, we found the rebate of excise tax was countervailable because the Government of Pakistan failed to establish the required linkage and comparison between taxes paid and rebates provided. See *Preliminary Results of Countervailing Duty Administrative Review: Cotton Shop Towels from Pakistan* (58 FR 32104; June 8, 1993) and *Final Results of Countervailing Duty Administrative Review: Cotton Shop Towels from Pakistan* (58 FR 48038; September 14, 1993). As stated in the preliminary results of these reviews, the government did not provide new information to establish linkage. Therefore, we continue to find the rebate of excise taxes countervailable.

#### Comment 4

Respondents argue that for the 1993 review, the Department improperly included company rates that are based on BIA in the calculation of the country-wide rate. They also contend that it is inappropriate to include, in the calculation, company rates which are "significantly" higher than the country-wide rate. Petitioner, on the other hand, argues that the Department's calculation of the country-wide rate is correct.

*Department's Position:* We disagree with respondents. On May 4, 1994, the Court of International Trade (the Court) rules, pursuant to *Ceramica*, that the Department is required to calculate a country-wide countervailing duty rate by weight averaging the benefits received by all companies by their proportion of exports to the United States, inclusive of zero rate firms and *de minimis* firms, pursuant to the methodology set forth in *Ipsco v. United States*, 899 F.2d 1192 (Fed. Cir. 1990).'' (*Ipsco*). Given that the Court in *Ceramica* and *Ipsco* states that the Department should include all company rates, there is no legal basis for excluding "significantly different" rates, including BIA rates. (See *Certain Iron-Metal Castings From India: Final Results of Countervailing Duty Administrative Review* (60 FR 44848; August 29, 1995), at comment 13 and *Bricks From Mexico: Amended Revocation of Countervailing Duty Order and Amended Final Results of Countervailing Duty Administrative Review* (61 FR 26162; May 24, 1996)). Therefore, we have not changed the country-wide rate calculation methodology from our preliminary results.

#### Final Results of Review

For 1992, we determine that net subsidy to be 7.81 percent *ad valorem* for all companies. For 1993, we determine the net subsidy to be 11.50 percent *ad valorem* for Eastern, 11.54 percent *ad valorem* for Creation and 5.03 percent *ad valorem* for all other companies.

The Department will instruct the U.S. Customs Service to assess countervailing duties of 7.81 percent *ad valorem* for all shipments of the subject merchandise exported from Pakistan on or after January 1, 1992 and on or before December 31, 1992. For all shipments of the subject merchandise exported from Pakistan on or after January 1, 1993 and on or before December 31, 1993, the Department will instruct the U.S. Customs Service to assess countervailing duties of 11.50 percent *ad valorem* for all shipments of the subject merchandise from Eastern, 11.54 percent *ad valorem* for all shipments of the subject merchandise from Creation and 5.02 percent *ad valorem* from all others.

The Department will also instruct the U.S. Customs Service to collect a cash deposit of estimated countervailing duties of 11.50 percent of the f.o.b. invoice price on all shipments of this merchandise from Eastern, 11.54 percent of the f.o.b. invoice price on all shipments of this merchandise from Creation, and 5.02 percent of the f.o.b.

invoice price from all others on all shipments of this merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of these reviews.

This notice 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. 355.34(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.

These administrative reviews and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.22.

Dated: April 24, 1997.

**Robert S. LaRussa,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 97-11460 Filed 5-1-97; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-357-803, C-357-403, C-357-002, and C-357-005]

#### **Leather from Argentina, Wool from Argentina, Oil Country Tubular Goods from Argentina, and Carbon Steel Cold-Rolled Flat Products from Argentina; Preliminary Results of Changed Circumstances Countervailing Duty Reviews**

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

**ACTION:** Notice of preliminary results of changed circumstances countervailing duty reviews and intent to revoke or amend the revocation of countervailing duty orders.

**SUMMARY:** The Department of Commerce (the Department) is conducting changed circumstances reviews of the countervailing duty orders on *Leather from Argentina* (55 FR 40212), *Wool from Argentina* (48 FR 14423), *Oil Country Tubular Goods from Argentina* (OCTG) (49 FR 46564), and *Carbon Steel Cold-Rolled Flat Products from Argentina* (Cold-Rolled) (49 FR 18006). The Department initiated these reviews on April 2, 1996 to determine whether it has the authority to assess countervailing duties on entries of merchandise covered by these orders