DEPARTMENT OF COMMERCE

International Trade Administration

[A–421–805]

Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide From the Netherlands; Final Results of Antidumping Administrative Review

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

ACTION: Notice of Final Results of the Antidumping Duty Administrative Review; Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands.

SUMMARY: On March 9, 1998, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on aramid fiber formed of poly para-phenylene terephthalamide (PPD-T aramid) from the Netherlands. The review covers one manufacturer/exporter and the period June 1, 1996 through May 31, 1997.

We gave interested parties an opportunity to comment on our preliminary results. Based on our analysis of the comments received, we have revised the results from those presented in the preliminary results of review.

EFFECTIVE DATE: July 13, 1998.

FOR FURTHER INFORMATION CONTACT: Nithya Nagarajan at (202) 482–1324 or Eugenia Chu at (202) 482–3964, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230.

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 references to the Department's regulations are to 19 CFR Part 353 (1997).

SUPPLEMENTARY INFORMATION:

Background

The Department published in the **Federal Register** the antidumping duty order on PPD–T aramid from the Netherlands on June 24, 1994 (59 FR 32678). On June 11, 1997, we published in the **Federal Register** (62 FR 31786) a notice of opportunity to request an administrative review of the order covering the period June 1, 1996, through May 31, 1997.

In accordance with 19 CFR 353.22(a)(1), Aramid Products V.o.F. and Akzo Nobel Aramid Products, Inc. (collectively ''Akzo'' or respondent), and petitioner, E.I. DuPont de Nemours and Company (petitioner), requested that we conduct an administrative review for the aforementioned period of review (POR). We published a notice of initiation of this antidumping duty administrative review on August 1, 1997 (62 FR 41339). The Department is conducting this administrative review in accordance with section 751 of the Act.

On March 9, 1998, the Department published the preliminary results of the review. (*See* 63 FR 11408). The Department has now completed the review in accordance with section 751 of the Act.

Scope of the Review

The products covered by this review are all forms of PPD-T aramid from the Netherlands. These consist of PPD-T aramid in the form of filament yarn (including single and corded), staple fiber, pulp (wet or dry), spun-laced and spun-bonded nonwovens, chopped fiber and floc. Tire cord is excluded from the class or kind of merchandise under review. This merchandise is currently classifiable under the Harmonized Tariff Schedule (HTS) item numbers 5402.10.3020, 5402.10.3040, 5402.10.6000, 5503.10.1000, 5503.10.9000, 5601.30.0000, and 5603.00.9000. The HTS item numbers are provided for convenience and Customs purposes. The Department's written description of the scope remains dispositive.

Analysis of the Comments Received

We gave interested parties an opportunity to comment on the preliminary results of review. We received comments from respondent and petitioner.

Comment 1: Petitioner contends that the Department should revise Akzo's reported U.S. indirect selling expenses (ISE), arguing that the calculation was improperly based on the consolidated financial statements of Akzo Nobel Inc., and should have instead been based upon the financial statements of Akzo Nobel Aramid Product Inc.'s (ANAPI—the exclusive sales agent of Aramid Products V.o.F. in the United States (Aramid)). Petitioner also asserts that the Department should reject Akzo's use of consolidated financial data in calculating the net interest expenses included in Aramid's cost of production so as to reflect Aramid's actual financing expenses. Petitioner acknowledges that the Department generally uses consolidated financial expense data to calculate financing expenses. However, petitioner asserts that this is not an automatic requirement. Further, petitioner contends that the Department must not use consolidated data where using the consolidated data would distort actual financing expenses. Petitioner asserts that such would be the case in the instant circumstance because Akzo's reported financial interest expense factor is unrelated to the financing requirements of Akzo's PPD-T aramid fiber business in the United States. Moreover, petitioner argues that Akzo justifies its use of consolidated figures on the grounds that the U.S. parent borrows on behalf of its related companies, and then charges the units a share of this cost, without explaining how it allocates the financing expenses. Petitioner argues that Akzo calculated the reported financing expenses based on outstanding loans between the U.S. parent and ANAPI and speculates as to the reasons why ANAPI borrowed money from its parent company to finance its U.S. operations.

Petitioner further argues that the Department and the Court of International Trade (CIT) misapplied binding precedent when affirming the Department's use of Akzo's consolidated data in *E.I. DuPont de Nemours & Co.* v. *United States*, No. 96–11–02509, Slip Op. 98–7, 1998 WL 42598 (CIT Jan. 29, 1998) (*E.I. DuPont*). Moreover, petitioner contends that the Department and the CIT failed to follow the express mandate of the 1994 amendments to the antidumping statute, which directs the Department to capture all actual costs incurred in producing the subject merchandise and to ensure that reported costs constitute a representative measure of the respondent's true costs. Petitioner argues that the CIT incorrectly interpreted the Statement of Administrative Action (SAA), accompanying H.R. 5110, 103rd Cong., at 834–835 (1994), which according to petitioner, requires a change in the Department's practice with respect to the calculation of financing costs.

Akzo argues that the CIT decision in *E.I. DuPont* properly affirmed the Department's use of Akzo's consolidated financial expense in the first administrative review. Akzo urges the Department to follow the same methodology in the final results of the third administrative review. Further, Akzo emphasizes that petitioner did not point to any evidence justifying a deviation from the Department's standard practice of using the parent's consolidated interest expense in cases where the parent's majority ownership

is prima facie evidence of corporate control.

Additionally, Akzo argues that petitioner's claims that the amendments to the antidumping statute set a new standard for calculating interest expense is in error. Contrary to petitioner's argument, Akzo contends that neither the SAA nor the amended section 773(f) of the antidumping statute directs the Department to change its existing practice. Akzo further contends that the cited portion of the SAA suggests only two distinct changes in the law that do not affect Commerce's past practice at issue here, as the CIT explained in *E.I. DuPont* at 7–9.

Akzo further buttresses its argument by pointing to evidence in the administrative record demonstrating that the interest expense of the consolidated company reflects the actual interest expense incurred. Akzo claims that the only loans and corresponding interest expense on the books of ANAPI and Aramid are intercompany loans from the parent companies, Akzo Nobel Inc. and Akzo Nobel N.V. In addition, Akzo argues that the Department verified that the financial statements of the subsidiary companies are consolidated with those of the parent companies. Akzo explains that the only actual interest expense is recorded on the books of the parent companies because it is only these entities that actually borrow money and incur the related interest expense. Akzo asserts that it is only the parent that determines the sources of money, borrows the money, and incurs the actual interest expense and that therefore, petitioner's speculations on how and why companies borrow money and how a parent determines the amount of loans and interest are irrelevant because these are internal decisions that take into account a variety of factors.

Department's Position: We agree with Akzo. In the prior first and second administrative reviews, petitioner similarly urged the Department to rely on Aramid's own financial records to determine its net interest expense, instead of following the Department's normal practice of using the parent company's financing expenses incurred on behalf of the consolidated group of companies. The Department disagreed with petitioner's position, explaining in detail that any departure from the Department's normal practice in this case was not warranted in light of Akzo Nobel N.V.'s majority ownership interest in Aramid, which constituted prima facie evidence of the parent's corporate control. For a detailed explanation of this issue, see *Aramid Fiber Formed of Poly-Phenylene Terephthalamide from the Netherlands: Final Results of Antidumping Administrative Review,* 61 FR 51406 (1996); *Aramid Fiber Formed of Poly-Phenylene Terephthalamide from the Netherlands: Final Results of Antidumping Administrative Review,* 62 FR 38058 (1997).

On January 29, 1998, the CIT affirmed the Department's determination, ruling that neither the SAA nor the amended statute mandate a change of practice with respect to using a parent company's consolidated statements when calculating the respondent's interest expense ratio, and that this practice is consistent with the principle of allocating costs in a manner that *reasonably reflects the actual costs. E.I. DuPont* at 8–9. (Emphasis added.) Citing *Gulf States Tube Div. of Quanex Corp.* v. *United States,* Slip Op. 97–124, Consol. Court No. 95–09–01125, at 38–39 (CIT Aug. 29, 1997), the Court noted that the focus of the analysis is on whether the consolidated group's controlling entity has the power to determine the capital structure of each member of the group. The Court concluded that the administrative record in this case supported the Department's finding that Akzo Nobel N.V. was a controlling entity, and that DuPont did not cite evidence which would overcome the presumption of corporate control.

In the instant administrative review, petitioner merely reiterates its position argued in the previous two reviews and does not point to any new evidence in the administrative record, which would demonstrate that the parent, Akzo Nobel N.V., does not exercise corporate control over the respondent company. Thus, consistent with the Department's prior determinations and the CIT's decision in *E.I. DuPont,* we will continue using Akzo Nobel N.V.'s consolidated financial interest expense in computing the respondent's net interest ratio.

Similarly, petitioner's contention that we should revise Akzo's reported U.S. indirect selling expense (ISE) lacks merit. As the Department stated in the prior administrative reviews, the Department bases its calculations on the consolidated financial statements of the parent, not the subsidiary. This method is grounded in a well-established practice. *See Aramid Fiber Formed of Poly-Phenylene Terephthalamide from the Netherlands: Final Results of Antidumping Administrative Review,* 61 FR at 51407; *Aramid Fiber Formed of Poly-Phenylene Terephthalamide from the Netherlands: Final Results of Antidumping Administrative Review,* 62 FR at 38060. As stated above, the focal point of the analysis is upon the parent company's control over the subsidiary. The record contains sufficient evidence of Akzo Nobel Inc.'s corporate control over ANAPI. More importantly, the petitioner has failed to produce any evidence to rebut the prima facie evidence of Akzo's control over ANAPI. For the reasons stated above, we will continue to adhere to the Department's current practice in this final determination.

Comment 2: Petitioner alleges that ANAPI is being reimbursed for antidumping duty deposits by one of its parent companies and argues that the Department should deduct the deposits from Akzo's U.S. price, or at least include the associated imputed financing expenses in Akzo's U.S. ISE. Petitioner claims that although there are no reimbursement agreements, the summary trial balances of ANAPI and the Annual Reports of Akzo Nobel Inc. support this allegation. Moreover, petitioner cites *Hoogovens Staal BV* v. *AK Steel Corp.,* 1998 WL 118090 (CIT March 13, 1998) (*Hoogovens*), as a case affirming the Department's authority to subtract reimbursed antidumping duty deposits, reasoning that the antidumping duties were intended to cause importers to raise prices to take into account such duties. Petitioner argues that the fact that Akzo has not raised its prices by anywhere close to 66 percent since the antidumping duty order was published further supports its claim that ANAPI is relieved of the responsibility for the antidumping duties and speculates that certain amounts may be reimbursed by either Akzo Nobel Inc. or Akzo Nobel N.V.

Akzo contends that ANAPI is not being reimbursed for antidumping duties and the petitioner's speculation to the contrary should be disregarded. Akzo cites the Department's regulations, 19 CFR 353.26(a), requiring the Department to deduct from U.S. price the amount of any antidumping duty which the producer or reseller paid directly on behalf of the importer or reimbursed to the importer. Akzo notes that this regulation also requires the importer to file a certificate, prior to liquidation, with the U.S. Customs Service, attesting to the absence of any agreement for the payment or reimbursement of any part of the antidumping duties by the manufacturer, producer, seller or exporter. The regulation provides that the Department may presume from an importer's failure to file this certificate that the producer or reseller paid or reimbursed the antidumping duties. Akzo argues that it is in full compliance with the Department's regulations. It

states ANAPI has filed, prior to liquidation, certifications with Customs attesting to the absence of any agreement with the manufacturer, producer, seller or exporter for the payment or reimbursement of antidumping duties that, as required by section 353.26(c). Further, the respondent claims that ANAPI has not entered into such an agreement with Akzo Nobel Inc. or Akzo Nobel N.V. In support of its arguments, Akzo cites the CIT ruling in *The Torrington Corp.* v. *United States,* 881 F. Supp. 622, 632 (1995) (*Torrington*) that ''once an importer * * * has indicated on this certificate that it has not been reimbursed for antidumping duties, it is unnecessary for the Department to conduct an additional inquiry absent a sufficient allegation of customs fraud.'' Akzo claims that, because it has filed the requisite certification, and because petitioner has failed to show any customs fraud, the record establishes that neither Akzo Nobel Inc. nor Akzo Nobel N.V. has reimbursed ANAPI for antidumping duty payments.

Akzo further contends that the CIT has affirmed the Department's longstanding precedent that, absent evidence of reimbursement, the Department has no authority to make the adjustment to U.S. price requested by the petitioner. See Torrington at 632. Akzo states that, according to the CIT, in Torrington, the party who requests the reimbursement investigation must produce some link between the transfer of funds and reimbursement of antidumping duties. Akzo argues that the petitioner has failed to meet this burden by failing to establish any agreement for reimbursement of antidumping duties between either Akzo Nobel Inc. or Akzo Nobel N.V. and ANAPI .

Furthermore, Akzo argues that petitioner's reliance on Hoogovens is misplaced. Akzo states that the Court remanded this decision to the Department to provide a clearer basis for its determination that reimbursement occurred. However, Akzo argues, even if the CIT ultimately agrees that Hoogovens reimbursed its importer of record, the facts of that case are distinguishable from the facts in Akzo's case. In Hoogovens, the Department found that the importer and exporter had entered into a written agreement to reimburse antidumping duties, which triggered the application of section 353.26 of the Department's regulations. *See Certain Cold-Rolled Carbon Steel Plat Products from the Netherlands,* 61 FR 48465 (1996) (*First Cold-Rolled Review*) (the review that led to the Hoogovens' CIT appeal). Akzo insists that there is no such agreement between Akzo Nobel N.V. and its U.S. subsidiaries, or between Aramid and ANAPI and, therefore, the decision in *First Cold-Rolled Review* has no bearing on this case. Thus, the requirements of section 353.26(a) do not apply and the Department should deny the requested adjustment to Akzo's U.S. price.

Akzo further argues that no adjustments to the reported U.S. ISE is warranted as there were no improper exclusions. Akzo claims that petitioner argues without any citations that the Department should artificially inflate Akzo's U.S. ISE to account for the financing expenses incurred in connection with the antidumping duty deposits it has made. Akzo argues that the Department's practice and precedent actually support a downward adjustment of ISE to account for these expenses. *See Antifriction Bearings and Parts Thereof from France* (*AFBs III*), 58 FR 39729 (1993) *opinion after remand, Federal-Mogul Corp.* v. *United States,* Slip Op. 96–193 at 2, 8 (CIT Dec. 12, 1996) (Federal Mogul II). Akzo states that the Department has justified the adjustment as analogous to the payment of legal fees in antidumping proceedings, which are incurred solely because of the antidumping duty order and thus are not selling expenses. Akzo further argues that, in *Tapered Roller Bearings from Japan,* 62 FR 11825, 11829 (1997), the Department cautioned that failure to allow a downward adjustment would risk calculating overstated margins due to failure to take into account the fact that no such expense would have been incurred absent the order. Therefore, Akzo argues that the Department should not make an upward adjustment to Akzo's U.S. ISE because it is not an expense incurred in selling the subject merchandise.

Department's Position: We agree with Akzo. The Department's regulations require the Department to deduct from U.S. price the amount of any antidumping duty which the producer or reseller (i) paid directly on behalf of the importer or (ii) reimbursed to the importer. *See* 19 CFR 353.26 (a)(1996). Absent evidence of reimbursement, the Department has no authority to make the adjustment to U.S. price. *Torrington* at 632, citing *Brass Sheet and Strip From Sweden,* 57 FR 2706, 2708 (1992) and *Brass Sheet and Strip From the Republic of Korea,* 54 FR 33257, 33258 (1989). *See also, Color Television Receivers from the Republic of Korea; Final Results of Antidumping Duty Administrative Reviews,* 61 FR 4408, 4411 (1996). In the absence of actual reimbursement payments, the Department requires evidence of a concrete link between the financial transaction and the antidumping duty before it may find reimbursement and impose additional duties. *Torrington* at 632, *aff'd* 127 F.3d 1077, 1080–81 (Fed. Cir. 1997) (further, the Court of Appeals for the Federal Circuit upheld the Department's interpretation and application of section 353.26. *Id.*) Finally, section 353.26 (b) of the Department's regulations also requires that the importer file a certificate with the U.S. Customs Service, attesting to the absence of any ''agreement or understanding for the payment or for the refunding'' of the antidumping duties. *See* 19 CFR 353.26(b).

In the previous second administrative review, the Department concluded that there was no evidence of reimbursement of ANAPI by Akzo for antidumping duties and, therefore, there was no justification for adjusting U.S. ISE for the potentially reimbursed antidumping duty deposits. *See Final Results of Antidumping Duty Administrative Review: Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide From the Netherlands,* 62 FR at 38061. During the course of conducting the instant review, the Department provided petitioner with the opportunity to comment upon all the information and data presented by the respondent. However, petitioner did not allege any specific instance or evidence of reimbursement of antidumping duties in either its October 17, 1997, or December 12, 1997, comments. Petitioner's first allegation of reimbursement was presented in its administrative case brief, dated April 8, 1998, after the Department completed verification and issued its preliminary results of the administrative review. In its case brief, the petitioner failed to provide any new, specific evidence supporting its reimbursement allegations. Petitioner's comments on this issue are speculative and do not point to concrete evidence of reimbursement. Mere allegations of reimbursement are insufficient to warrant further action by the Department. Neither section 353.26 nor past precedent provide authority for the Department to undertake further action or make additional adjustments based upon petitioner's thinly supported assertions of reimbursement. Moreover, we carefully reviewed the record and found no evidence on the record suggesting reimbursement of antidumping duties, nor did we find specific evidence of inappropriate financial intermingling between ANAPI and Akzo Nobel Inc. or Akzo Nobel N.V. In reviewing the financial statements and payment records of the U.S.

subsidiary, we verified that ANAPI is responsible for all cash deposits and duties assessed. *See* Verification Report, dated February 24, 1998.

Further, petitioner's reliance on *Hoogovens* is inapposite. In that case, the CIT held that, although the record evidence in *Hoogovens* ''suggested'' reimbursement of antidumping duties, the Department did not identify which evidence supported its findings of reimbursement. Thus, the CIT remanded this case to the Department for a reasoned articulation of its decision. In the present case, however, we lack any evidence of reimbursement.

Finally, there is evidence on the record that ANAPI filed the required certifications with U.S. Customs Service attesting to the absence of any agreement with the manufacturer, producer, seller, or exporter for the payment or reimbursement of antidumping duties. Based on these facts, the Department presumes the continued existence of the circumstances that gave rise to our findings in the second administrative review and that 19 CFR 353.26 is inapplicable in this case. Therefore, consistent with our findings in the second administrative review, we have not deducted any amount for reimbursed duties from Akzo's U.S. price or included them in Akzo's U.S. ISE.

Comment 3: Petitioner argues that the Department inconsistently filled in missing values for imputed credit expense for home market and U.S. sales. Specifically, for home market sales, the Department filled in the missing payment dates with the date of the preliminary determination, March 2, 1998, and then calculated the missing credit expense value, while for the U.S. sales, the Department calculated the average credit expense for U.S. sales and then applied that average expense to missing credit values. Petitioner claims that this inconsistent application maximized the credit expense deduction for home market sales, thereby reducing normal value, and artificially reduced the credit expense deduction for U.S. sales, thereby increasing the U.S. price. Because Akzo failed to submit a complete questionnaire response, petitioner further argues that the Department should apply adverse inferences and fill in the missing data with the largest value on the record for the U.S. price deduction and with zero for the corresponding home market price deduction, or at least fill in the missing data with values that do not allow Akzo to benefit from its omissions.

Akzo argues that the Department should reject petitioner's request as contrary to current Department practice, which is to use the last day of verification as the payment date for unpaid sales (February 2, 1998). Respondent cites *Static Random Access Memory Semiconductors from Taiwan,* 63 FR 8909, 8928 (1998), as precedent.

Department's Position: In accordance with the Department's current practice, the last day of verification will be used as the date of payment for unpaid sales. *See Extruded Rubber Thread From Malaysia; Final Results of Antidumping Duty Administrative Review,* 63 FR 12752, 12757 (1998) (citing *Static Random Access Memory Semiconductors from Taiwan; Final Results of Less than Fair Value Investigation,* 63 FR 8909, 8928 (1998) and *Brass Sheet and Strip from Sweden; Final Results of Antidumping Administrative Review,* 60 FR 3617, 3621 (1995)). We disagree with petitioner's assertion that the Department should use an adverse inference in calculating the imputed credit expense. In the instant review, respondent has not impeded the review by providing inaccurate or unverifiable data, instead it has provided data which was successfully verified. Therefore, we have used the last day of verification, February 2, 1998, as the date of payment for the transactions in question.

The Department agrees with petitioner that we inconsistently calculated missing credit expenses in the home sales market and U.S. market during the preliminary determination. In the final results of the review, the Department has substituted the missing payment dates with the last day of verification and calculated the missing credit expense value for both home market sales and U.S. sales. *See* Calculation Memorandum, dated July 7, 1998, for a complete discussion of the mathematical calculation.

Comment 4: Petitioner contends that the Department's treatment of Akzo's goodwill expenses in the first and second administrative reviews is not supported by substantial evidence on the record and is contrary to law. Petitioner argues that the Department should amortize these costs over a period that covers the POR to avoid improperly understating the actual cost of producing PPD–T aramid fiber during the POR.

Akzo argues that petitioner's position is unsubstantiated and contrary to law. Akzo notes that the proper treatment of the goodwill was the focus of the first administrative review, and of the recently issued CIT decision. Respondent further notes that the Department spent a significant amount of time gathering and analyzing all aspects of the purchase. *See Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands,* 61 FR 51406. Akso cites the CIT's ruling to affirm the Department's treatment of goodwill as further support for its contentions. Respondent cites specifically to the CIT's approval of the Department's analysis, affirming that it was more appropriate to isolate those components of goodwill that pertained to assets used in the production of subject merchandise. Akzo states that in preparing the questionnaire response for this review, it complied with the Department's determination in the first two administrative reviews. Finally, Respondent contends that no circumstances exist warranting any deviation from the Department's prior approach, as affirmed by the CIT.

Department's Position: The Department agrees with Akzo. As explained at length in the final results of the first and second administrative reviews, and affirmed by the CIT in *E.I. DuPont,* the Department determined to accept Akzo's accounting method for the amortization of goodwill expense as reasonable. *See Aramid Fiber Formed of Poly-Phenylene Terephthalamide from the Netherlands: Final Results of Antidumping Administrative Review,* 61 FR at 51406; *Aramid Fiber Formed of Poly-Phenylene Terephthalamide from the Netherlands: Final Results of Antidumping Administrative Review,* 62 FR at 38063.

The Department spent a significant amount of time gathering and analyzing all aspects of the facts surrounding the goodwill issue during the first administrative review. Upon completion of its analysis, the Department determined that, for cost calculation purposes, it was appropriate to isolate those components of goodwill that pertained to assets used in the production of subject merchandise. *See Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands,* 61 FR at 51406. The Department verified that Akzo complied with the Department's decision in the first administrative review, and calculated the reported depreciation expenses exclusive of goodwill expenses in preparing its response for the instant review. The methodology used in the instant case is consistent with the final results of the first and second administrative reviews.

Moreover, in *E.I. DuPont,* the CIT rejected petitioner's arguments with respect to goodwill, affirming the Department's treatment of inventory write-downs and residual goodwill

expenses. *See E.I. DuPont* at 15–24. Therefore, for purposes of the instant review, the Department will continue to use Akzo's reported cost of production and constructed value data in calculating the antidumping duty margin.

Comment 5: Akzo claims that the computer program used in calculating the preliminary results contained three errors that must be corrected. First, Akzo argues that the difference in merchandise (DIFMER) adjustment was miscalculated by failing to convert the submitted variable cost of manufacturing of the U.S. product (VCOMU) from kilograms to pounds. Akzo explains that because the U.S. sales are reported on a per pound basis and the analysis is conducted on the same basis, it is necessary to convert the DIFMER adjustment to a per pound amount. Second, Akzo claims that in calculating the net constructed export price (CEP), the Department correctly added U.S. packing costs to normal value but incorrectly included U.S. packing costs as an adjustment to the gross price, thereby understating the net CEP and overstating the margin. Third, Akzo argues that the Department incorrectly deducted the ISE incurred in the home market on U.S. sales from CEP after correctly determining in the preliminary results and LOT analysis memo that these expenses were not related to the economic activity in the U.S. Akzo provided suggested changes to correct the alleged errors.

Petitioner did not rebut any of Akzo's aforementioned suggested corrections.

Department's Position: The Department agrees with Akzo and has revised the final margin program to reflect these changes. First, the Department has converted VCOMU from kilograms to pounds to ensure that the final margin analysis is performed on a comparable basis. Second, the Department has corrected the margin program to ensure that both the CEP and NV are calculated inclusive of packing costs. Finally, the Department's preliminary margin calculation program inadvertently included ISE that were not incurred in connection with economic activity as deductions to the U.S. selling price. The Department's analysis in the Level of Trade Memo, dated March 2, 1998, is correct in stating that only those expenses incurred connection with economic activity in the U.S. will be deducted from CEP in conducting the margin analysis. For purposes of these final results of review, the Department has revised the margin calculation to reflect the conclusion of the Level of Trade Analysis memo. For further explanation, *see* Calculation Memorandum, dated July 7, 1998.

Final Results of Review

As a result of our review, we determine that the following weighted-average margin exists:

Manufacturer/exporter	Period of review	Margin (percent)
Akzo	6/1/96–5/31/97	6.31
All Other ..	6/1/96–5/31/97	66.92

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appraisement instructions on each exporter directly to the Customs Service. For assessment purposes, we have calculated importer specific duty assessment rates for the merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales during the POR to the total entered value of sales examined during the POR.

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of review for all shipments of PPD–T aramid fiber from the Netherlands entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate listed above; (2) if the exporter is not a firm covered in this review, a prior review, or the original LTFV 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 (3) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be 66.92 percent, the ''all others'' rate established in the LTFV investigation (59 FR 32678, June 24, 1994). These deposit requirements 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 351.402(f) 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 353.305 and 19 CFR 353.306. 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 351.221.

Dated: July 7, 1998.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–18596 Filed 7–10–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–831]

Fresh Garlic from the People's Republic of China; Notice of Recission of Antidumping Duty Administrative Review

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

ACTION: Notice of Recission of Antidumping Duty Administrative Review.

SUMMARY: On December 23, 1997, the Department of Commerce published in the **Federal Register** (62 FR 67044) a notice announcing the initiation of an administrative review of the antidumping duty order on fresh garlic from the People's Republic of China. This review covered the period from November 1, 1996 through October 31, 1997. The Department of Commerce has now rescinded this review as a result of the absence of reviewable entries and sales into the United States of subject merchandise during the period of review.

EFFECTIVE DATE: July 13, 1998.

FOR FURTHER INFORMATION CONTACT: Diane Krawczun or Thomas Schauer, 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.