

Constitution and Pennsylvania Avenues, NW., Washington, DC. The Committee advises the Office of the Assistant Secretary for Export Administration on technical questions that affect the level of export controls applicable to sensors and instrumentation equipment and technology.

Agenda

General Session

1. Opening remarks by the current Chairman.
2. Election of Committee Chairman.
3. Presentation of papers or comments by the public.
4. Update on Wassenaar Arrangement List review.
5. Update on India Entities.

Executive Session

6. Discussion of matters properly classified under Executive Order 12958, dealing with the U.S. export control program and strategic criteria related thereto.

The General Session of the meeting will be open to the public and a limited number of seats will be available. Reservations are not required. To the extent that time permits, members of the public may present oral statements to the Committee. The public may submit written statements at any time before or after the meeting. However, to facilitate distribution of public presentation materials to the Committee members, the Committee suggests that presenters forward the public presentation materials two weeks prior to the meeting date to the following address: Ms. Lee Ann Carpenter, CLO MS: 3886C, Bureau of Export Administration, U.S. Department of Commerce, Washington, DC 20230.

The Assistant Secretary for Administration, with the concurrence of the General Counsel, formally determined on December 3, 1997, pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, that the series of meetings of the Committee and of any Subcommittees thereof, dealing with the classified materials listed in 5 U.S.C., 552b(c)(1) shall be exempt from the provisions relating to public meetings found in section 10(A)(1) and 10(a)(3), of the Federal Advisory Committee Act. The remaining series of meetings or portions thereof will be open to the public.

A copy of the Notice of Determination to close meetings or portions of meetings of the Committee is available for public inspection and copying in the Central Reference and Records Inspection Facility, Room 6020, U.S.

Department of Commerce, Washington, DC 20230. For further information or copies of the minutes, contact Lee Ann Carpenter on (202) 482-2583.

Dated: October 1, 1998.

Lee Ann Carpenter,

Director, Technical Advisory Committee Unit.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-808]

Chrome-Plated Lug Nuts 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 Chrome-Plated Lug Nuts from the People's Republic of China.

SUMMARY: On June 10, 1998, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping order on chrome-plated lug nuts (lug nuts) from the People's Republic of China (PRC). The review covers one exporter of the subject merchandise and the period September 1, 1996 through August 31, 1997.

We gave interested parties an opportunity to comment on our preliminary results. We received comments from Jiangsu Rudong Grease Gun Factory (Rudong). We did not receive rebuttal comments. After considering these comments, we have changed the final results from those presented in the preliminary results of review and have determined that sales have been made below normal value (NV), as explained below.

EFFECTIVE DATE: October 7, 1998.

FOR FURTHER INFORMATION CONTACT: Eric Scheier, Thomas Gilgunn, 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) 482-4052, (202) 482-0648 and (202) 482-3020 respectively.

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 351.

Background

On June 10, 1998, the Department published the preliminary results of review (63 FR 31719). The Department has now completed this administrative review in accordance with section 751 of the Act.

Scope of Review

The products covered by the order and this review are one-piece and two-piece chrome-plated and nickel-plated lug nuts from the PRC. The subject merchandise includes chrome-plated and nickel-plated lug nuts, finished or unfinished, which are more than $1\frac{1}{16}$ inches (17.45 millimeters) in height and which have a hexagonal (hx) size of at least $\frac{3}{4}$ inches (19.05 millimeters) but not over one inch (25.4 millimeters), plus or minus $\frac{1}{16}$ of an inch (1.59 millimeters). The term "unfinished" refers to unplated and/or unassembled chrome-plated lug nuts. The subject merchandise is used for securing wheels to cars, vans, trucks, utility vehicles, and trailers. Excluded from the order are zinc-plated lug nuts, finished or unfinished, stainless steel capped lug nuts, and chrome-plated lock nuts.

The merchandise under review is currently classifiable under item 7318.16.00 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 September 1, 1996 through August 31, 1997.

Interested Party Comments

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

Comment 1. Rudong argues that the October 1996 Indian import statistics used to value steel wire rod are aberrational. For the preliminary results, the Department used the then available Indian import statistics for September, October, November, and December 1996. Rudong states that Indian imports of steel wire rod as valued by the October 1996 data are 3.5 times greater than the value of steel wire rod in the September, November, and December

Indian import statistics, and that the values for imports into India from Germany and Japan in the October Indian import statistics are ten and four times greater, respectively, than the value of steel wire rod in the September, November, and December Indian import statistics. Rudong argues that October 1996 Indian import statistics, or, at a minimum, values for imports from Germany and Japan in the October 1996 statistics, should be removed from the calculation of surrogate value for steel wire rod. Rudong further argues that because the HTSUS classification used by the Department to value steel wire rod is a basket category of bars and rods, there is a significant possibility that the imports from Germany and Japan were of more expensive, higher specification merchandise than steel used in the production of lug nuts. Rudong also notes the possibility of a clerical error in the October 1996 statistics.

Rudong further argues that the September, November, and December Indian import statistics are accurate when compared to the now available import values of steel wire rod to India for January through May 1997, and the values of steel wire rod derived from import statistics for Indonesia, Canada, and the United States.

Lastly, Rudong argues that the Department has in the past rejected aberrational values. Rudong cites to *Certain Helical Spring Lock Washers from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 62 FR 61794 (November 19, 1997), in which the Department rejected aberrational values for hydrochloric acid, and to *Chrome-Plated Lug Nuts from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 61 FR 58514 (November 15, 1996) (*Lug Nuts 1995-1996*), in which the Department rejected certain aberrational Indian import data for steel wire rod.

Department's Position. We agree that the value for Indian imports of German steel in October 1996, 168.9 rupees per kilogram, is aberrational, based on a comparison of this value with other Indian import values during the September 1996 through May 1997 period (the portion of the period of review for which data is now available). The value of these other imports ranged for 12.72 to 66.00 rupees per kilogram, with a weighted average of 17.64 rupees per kilogram. Accordingly, for the purposes of these final results, we have excluded October 1996 Indian imports of German steel from our calculation of surrogate value because their value is many times higher than the value of

other Indian imports of steel. See "Analysis for the Final Results of the 1996-1997 Administrative Review of Chrome-plated Lug Nuts from the Peoples Republic of China—Jiangsu Rudong Grease Gun Factory" ("Final Analysis Memo for PRC Lug Nuts 1996-1997"). We also note that the data for October 1996 Indian imports of German steel are aberrational when compared to the value of similar steel imports into other market economies such as Canada, Indonesia, and the United States. In *Lug Nuts 1994-1995*, the Department discarded certain surrogate Indian steel values because they were found to be aberrational when compared to the steel values of these three market economies.

Additionally, for these final results we have included in the calculation of the surrogate value for steel Indian import data from January 1997 through May 1997. This information was unavailable to the Department for the preliminary results, and has since become available. See memorandum to the file dated September 30, 1998 "Final Analysis Memo for PRC Lug Nuts 1996-1997."

Comment 2. Rudong argues that the Department erred in using, as a surrogate for marine insurance, a per-kilogram surrogate value derived from actual insurance payments from the investigation of sulphur dyes from India, rather than a surrogate rate representing a percentage of the insurable value of the merchandise at issue. Rudong states that, in practice, marine insurance is not paid on a per-weight basis but as a percentage of value. Therefore, Rudong claims, it is this percentage, not the actual payment for a shipment of different merchandise (in this case sulphur dyes), that the Department should use to calculate surrogate marine insurance. Rudong suggests that the Department use the surrogate rate of 2.2 percent from Pakistan used in *Final Determination of Sales at Less Than Fair Value: Chrome-Plated Lug Nuts From the People's Republic of China*, 56 FR 46153 (September 10, 1991).

Department's Position. We agree with Rudong. Because marine insurance is incurred as a percentage of value (see Page 5 of Rudong's questionnaire response dated July 10, 1998), it is appropriate to apply a surrogate rate on a value basis.

In *Peer Bearing Company v. United States*, No. 98-70, slip op., (CIT May 27, 1998), the Department was instructed to recalculate the per-kilogram surrogate value for marine insurance—the same value used in the preliminary results for this segment of the proceeding—based on value rather than weight. The

Department, for those remand results, recalculated a surrogate rate of 0.241 percent of value, based on data used in the investigation of sulphur dyes from India, and applied this rate to gross unit price to recalculate a surrogate value for marine insurance. See memorandum to the file dated July 21, 1998:

"Recalculation of Marine Insurance Expense Pursuant to Remand on Tapered Roller Bearings from the People's Republic of China," placed on the record of this review by the Department on September 21, 1998.

For these final results, we are using the rate of 0.241 percent rather than the 2.2 percent rate suggested by Rudong because the former is a figure from the primary surrogate country in this segment of the proceeding, India, while the latter is from Pakistan.

Comment 3. Rudong argues that the Department miscalculated the surrogate rate for ocean freight incurred for shipment by a non-market economy carrier. Rudong asserts that the Department apparently intended to calculate the ocean freight rate for one non-market economy carrier by applying a weighted average of the prices charged by the market-economy carriers. In so doing, Rudong contends, the Department erred by attempting to recalculate ocean freight on a weight basis. Rudong asserts that the Department's calculation does not work, as shown by the fact that the calculated amount is twice as high as any of the market-economy invoices. Rudong argues that the Department's calculations are unnecessary and that the Department should use the data provided for the invoices shipped on market-economy carriers to calculate a per-value surrogate rate for any invoices shipped on non-market-economy carriers.

Department's Position. We agree, in part, with Rudong and have recalculated ocean freight accordingly. Because ocean freight is incurred on a container, and therefore weight, basis, the preferred methodology to value ocean freight is on a weight basis. However, there is no way to allocate the total freight cost to subject and non-subject merchandise listed on Rudong's invoice by weight. Consequently, we have no way to derive a weight-based ocean freight value from the documentation provided by Rudong. Therefore, we have calculated an alternative rate for the ocean freight incurred on Rudong's non-market-economy forwarder based on a weighted-average per-value rate for the shipments made on market-economy carriers.

Comment 4. Rudong argues that the Department based foreign inland freight

on the midpoint for the range of weights specified for subject merchandise in the CONNUM rather than the actual net weight of the individual products analyzed. Rudong states that the Department estimated the weight of each product by using a midpoint of the weight range reported to create CONNUMs for matching purposes rather than using a net weight equaling gross weight minus scrap, as done in prior segments of this proceeding.

Department's Position. We agree with Rudong and have recalculated inland freight on the basis of net weight and distance. For the calculation of freight, we prefer to use actual weight instead of estimated weight based on the range of weights within each CONNUM. We calculated actual weight by subtracting scrap from the gross weight of steel wire rod. This was the methodology used in the prior review of this order. See the public version of "Analysis for the Preliminary Results of the Fourth Administrative Review of Chrome-plated Lug Nuts from the People's Republic of China covering the period September 1, 1994 through August 31, 1995—Jiangsu Rudong Grease Gun Company."

Comment 5. Rudong argues that the Department incorrectly calculated the tax-exclusive price for chemicals by setting the tax-exclusive price equal to the tax-inclusive price divided by the sum of one plus excise tax rate plus sales tax rate. Rudong states that the correct equation is: tax-exclusive price = tax-inclusive price / [(1 + excise tax rate) * (1 + sales tax rate)]. Rudong notes that their proposed formula was used consistently in past cases.

Department's Position. We agree with Rudong. According to *Indian Customs Tariffs*, as presented on the Department's Trade Information Center web page, Indian excise and sales taxes are assessed sequentially. See Attachment 4 of the "Final Analysis Memo for PRC Lug Nuts 1996–1997." Therefore, the correct equation is: tax-exclusive price = tax-inclusive price / [(1 + excise tax rate) * (1 + sales tax rate)].

Comment 6. Rudong argues that the Department applied an incorrect formula in the calculation of factory overhead. Rudong states that the Department calculated overhead by multiplying the overhead rate by the sum of materials, labor and energy, and then dividing that product by the difference of one minus the overhead rate. Rudong argues that because the surrogate overhead rate was originally calculated as a percentage of materials, labor and energy, the factor for overhead in this segment of the proceeding

should be calculated by multiplying the overhead rate by the sum of Rudong's materials, labor, and energy.

Department's Position. We disagree with Rudong. In the calculation of the surrogate overhead rate, the Department used the same methodology as used in previous reviews of chrome-plated lug nuts. See "Analysis for the Preliminary Results of the Fourth Administrative Review of Chrome-plated Lug Nuts from the People's Republic of China covering the Period September 1, 1994 through August 31, 1995—Jiangsu Rudong Grease Gun Factory." This methodology is based on an industry income statement published in the April 1995 *Reserve Bank of India Bulletin*; see Attachment eight of the memorandum to the file dated June 2, 1998: "Factor Values Used for the Preliminary Results of the 1996–97 Administrative Review of Chrome-Plated Lug Nuts from the PRC." The Department divided total overhead, less power and fuel, by a cost of manufacturing (COM) amount that already included total factory overhead as a component. Thus, in calculating Rudong's surrogate overhead cost we had to allow for the inclusion of total factory overhead as a part of the overhead rate equation's denominator. We did this by deducting that overhead percentage from a factor of one in the calculation of Rudong's surrogate overhead cost.

Final Results of Review

We determine that the following dumping margins exist:

Manufacturer/exporter	Time period	Margin (per-cent)
Jiangsu Rudong Grease Gun Factory	9/1/96–8/31/97	1.29
PRC-Wide rate ..	9/1/96–8/31/97	44.99

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 Rudong. We have calculated importer-specific duty assessment rates for lug nuts by dividing the total dumping margins (calculated as the difference between NV and EP) for each importer/customer by the total number of units sold to that importer/customer. We will direct Customs to assess the resulting per-unit dollar amount against each unit of merchandise in each of the importer's/customer's entries during the review period. The Department will issue

appraisal instructions 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 lug nuts 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 Rudong, which was found to merit a separate rate for the final results of this review, the cash deposit rate will be 1.29 percent; (2) for all other PRC exporters, the cash deposit rate will be the PRC-wide rate; and (3) for non-PRC exporters of subject merchandise from the PRC, the cash deposit rate will be the rate applicable to a 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 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 351.306. See 63 FR 24391, 24403 (May 4, 1998). Timely written notification of the 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: September 30, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

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