

Review, 61 FR 59407 (Nov. 22, 1996). For further discussion, see the Citrovia Calculation Memorandum.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following margins exist for the period May 1, 1997, through April 30, 1998:

Manufacturer/exporter	Margin percent
Branco Peres Citrus, S.A	65.20
Cambuhy Citrus Comercial e Exportadora Ltda	65.20
Citrovia Agro Industrial S.A	65.20
Frutax Industria e Comercio Ltda	65.20

Interested parties may request a hearing within 30 days of the publication of this notice. Any hearing, if requested, will be held 37 days after the date of publication, or the first workday thereafter. Interested parties may submit case briefs within 30 days of publication. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication. The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such case briefs, within 120 days from the date of publication of this notice.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The duty assessment rates for importers of subject merchandise will be those rates listed above. These rates will be assessed uniformly on all entries of FCOJ made during the POR. The Department will issue appraisal instructions directly to the Customs Service.

Further, the following deposit requirements will be effective for all shipments of FCOJ from Brazil entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rates for Branco Peres, Cambuhy, Citrovia, and Frutax will be the rates established in the final results of this review; (2) for any previously reviewed or investigated company 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 less-than-fair-value (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 4) the cash deposit rate for all other manufacturers or exporters will continue to be 1.96 percent, the all others rate established in the LTFV investigation.

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

This notice serves as a preliminary 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 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 351.213.

Dated: February 1, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99-2823 Filed 2-4-99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-803]

Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, From the People's Republic of China; Preliminary Results and Partial Recission of Antidumping Duty Administrative Reviews

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

ACTION: Notice of preliminary results and partial recission of antidumping duty administrative reviews.

SUMMARY: We preliminarily determine that sales of heavy forged hand tools, finished or unfinished, with or without handles, from the People's Republic of China were made below normal value during the period February 1, 1997 through January 31, 1998. Interested parties are invited to comment on these preliminary results. Parties who submit arguments are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: February 5, 1999.

FOR FURTHER INFORMATION CONTACT: Paul Stolz or James Terpstra, AD/CVD

Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington DC 20230; telephone (202) 482-4474 or 482-3965, 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, as amended (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's regulations are to 19 CFR Part 351 (1998).

Background

On February 19, 1991, the Department of Commerce (the Department) published in the **Federal Register** (56 FR 6622) the antidumping duty orders on heavy forged hand tools, finished or unfinished, with or without handles (certain heavy forged hand tools or HFHTs), from the People's Republic of China (PRC). On February 5, 1998, the Department published in the **Federal Register** (63 FR 5929) a notice of opportunity to request administrative reviews of these antidumping duty orders. On February 24, 1998, three exporters of the subject merchandise requested that the Department conduct administrative reviews of their exports of the subject merchandise. Specifically, Fujian Machinery & Equipment Import & Export Corporation (FMEC) requested that the Department conduct an administrative review of its exports of axes/adzes; hammers/sledges; and picks/mattocks. Shandong Huarong General Group Corporation (Shandong Huarong) and Liaoning Machinery Import & Export Corporation (LMC) requested that the Department conduct administrative reviews of their exports of bars/wedges. On February 27, 1998, another exporter, Shandong Machinery Import & Export Corporation (SMC), requested that the Department conduct an administrative review of its exports of axes/adzes; bars/wedges; hammers/sledges; and picks/mattocks. Also on February 27, 1998, the petitioner, O. Ames Co., requested administrative reviews of FMEC's, Shandong Huarong's, LMC's, SMC's, and Tianjin Machinery Import & Export Corporation's (TMC's) exports of axes/adzes; bars/wedges; hammers/sledges; and picks/mattocks.

We published the notice of initiation of these reviews on March 23, 1998 (63 FR 13837). In its June 23, 1998, Sections C and D questionnaire response,

Shandong Huarong stated that, of the subject merchandise, it exported only bars/wedges during the POR and requested that the Department terminate its review with respect to other HFHTs. Pending confirmation of this claim from the Customs Service, we are thus preliminarily rescinding our review of other HFHTs with respect to Shandong Huarong. In its June 23, 1998, Sections C and D questionnaire response, LMC stated that, of the subject merchandise, it exported only bars/wedges during the POR and requested that the Department terminate its review with respect to other HFHTs. Pending confirmation of this claim from the Customs Service, we are thus preliminarily rescinding our review of other HFHTs with respect to LMC. In its September 3, 1998, response to the Department's supplemental questionnaire, TMC stated that, of the subject merchandise, it exported only hammers and picks during the POR. Pending confirmation of this claim from the Customs Service, we are thus preliminarily rescinding our review of other HFHTs with respect to TMC. In its June 24, 1998, Sections C and D questionnaire response, FMEC stated that, of the subject merchandise, it exported only axes/adzes; hammers/sledges; and picks/mattocks, and requested that the Department terminate its review with respect to bars/wedges. Pending confirmation of this claim from the Customs Service, we are thus preliminarily rescinding our review of bars/wedges with respect to FMEC. In its June 25, 1998, Sections C and D questionnaire response, SMC stated that, of the subject merchandise, it exported only axes/adzes; hammers/sledges; and picks/mattocks, and requested that the Department terminate its review with respect to bars/wedges. Pending confirmation of this claim from the Customs Service, we are thus preliminarily rescinding our review of bars/wedges with respect to SMC.

On September 28, 1998, the Department extended the time limits for completion of the preliminary results in these proceedings until January 29, 1999 (See 63 FR 51563). The Department is conducting these administrative reviews in accordance with Section 751 of the Act.

Scope of Reviews

Imports covered by these reviews are shipments of HFHTs from the PRC comprising the following classes or kinds of merchandise: (1) Hammers and sledges with heads over 1.5 kg (3.33 pounds) (hammers/sledges); (2) bars over 18 inches in length, track tools and wedges (bars/wedges); (3) picks/mattocks; and (4) axes/adzes.

HFHTs include heads for drilling, hammers, sledges, axes, mauls, picks, and mattocks, which may or may not be painted, which may or may not be finished, or which may or may not be imported with handles; assorted bar products and track tools including wrecking bars, digging bars and tampers; and steel wood splitting wedges. HFHTs are manufactured through a hot forge operation in which steel is sheared to required length, heated to forging temperature, and formed to final shape on forging equipment using dies specific to the desired product shape and size. Depending on the product, finishing operations may include shot-blasting, grinding, polishing and painting, and the insertion of handles for handled products. HFHTs are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 8205.20.60, 8205.59.30, 8201.30.00, and 8201.40.60. Specifically excluded are hammers and sledges with heads 1.5 kg (3.33 pounds) in weight and under, hoes and rakes, and bars 18 inches in length and under. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of these orders is dispositive.

Verification

As provided in section 782(i) of the Act, we conducted a verification of information provided by SMC and its supplying factories, and by FMEC and its supplying factories by using standard verification procedures, including on-site inspection of the manufacturer's facilities, the examination of relevant sales and financial records, and the selection of original documentation containing relevant information. The findings at verification are detailed in the verification reports dated January 6, 1999, the public versions of which are on file in the Central Records Unit, Room B099 of the Main Commerce building (CRU-Public File).

Verification Failures of SMC and FMEC

On October 5 and 6, 1998, the Department conducted a verification of SMC's questionnaire response at its sales offices, and on October 12 and 13 at its suppliers' factories in the PRC. At SMC, we encountered serious problems such that we could not confirm that U.S. sales were properly reported. Because no accounting records were available as to one of SMC's departments that handles subject merchandise, we were unable to determine the sales volume from that Department. Additionally, with respect to another department for which accounting records were

available, these records could not be reconciled with the company's overall financial statements. Finally, SMC was unable to provide substantiating documentation in response to several other requests by the Department. For further explanation of verification failures, see Determination of Adverse Facts Available Based on Verification Failure in the Administrative Review of Heavy Forged Hand Tools from the People's Republic of China (Adverse Facts Available Memorandum), dated January 29, 1999. Taken together, these failures resulted in our inability to determine whether U.S. sales were properly reported.

We also encountered serious difficulties when attempting to verify SMC's supplier factories' information. Specifically, one factory was unable to provide any documentary link between the factor utilization figures reported and the overall company accounting records. Moreover, the incomplete records that were available revealed that: (1) The reported figures were often inaccurate (in varying degrees); and (2) other factors of production existed that were not reported in the original questionnaire response. Based upon these significant failures, we find that the reported factors of production ("FOP") information is unreliable. Taken together, the problems are in fact so significant as to constitute a total failure of verification.

On October 8 and 9, 1999, the Department conducted a verification of FMEC's questionnaire response at its sales offices. Additionally, on October 14 and 15 the Department conducted verification of FMEC's supplier factories in the PRC. At FMEC, we encountered serious problems such that we could not confirm that U.S. sales were properly reported. FMEC failed to provide accounting records for a large portion of the POR, which made it impossible to determine whether U.S. sales for that period, and possibly earlier or later periods, were properly reported. FMEC also failed to produce the financial records of two of its branches, which precluded us from verifying the volume of U.S. sales, if any, by those branches. Additionally, FMEC was unable to provide substantiating documentation in response to several other requests by the Department. For a further explanation of specific verification failures, see the Adverse Facts Available Memorandum, January 29, 1999. Taken together, these problems resulted in our inability to establish that U.S. sales were properly reported.

We also encountered serious problems when verifying information at one of FMEC's supplier's factory. For

certain products, the factory was unable to reconcile the factor utilization figures reported with company accounting records. Moreover, with respect to the data that we were able to examine, the reported figures contained many errors. We also found that certain factor inputs had not been reported in the original response. These problems indicate that the reported FOP information is unreliable, and are so significant as to constitute a total failure of verification.

Separate Rates Determination

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 the 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 export activities. Evidence supporting, though not requiring, a finding of *de jure* absence of government control over export activities includes: (1) An absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and, (3) any other formal measures by the government decentralizing control of companies. *De facto* absence of government control over exports is based on four factors: (1) Whether each exporter sets its own export prices independently of the government and without the approval of a government authority; (2) whether each exporter retains the proceeds from its sales and makes independent decisions regarding the disposition of profits or financing of losses; (3) whether each exporter has the authority to negotiate and sign contracts and other agreements; and, (4) whether each exporter has autonomy from the government regarding the selection of management. See Silicon Carbide, 59 FR at 22587 and Sparklers, 56 FR at 20589.

In the final results of the 1996-1997 reviews of HFHTs, the Department granted separate rates to FMEC, Shandong Huarong, LMC, SMC and TMC. See Heavy Forged Hand Tools From the People's Republic of China; Final Results of Antidumping Duty

Administrative Reviews (63 FR 16758, April 6, 1998). While all five companies have received separate rates in several previous segments of these proceedings, it is the Department's policy that separate rates questionnaire responses must be evaluated each time a respondent makes a separate rate claim, regardless of any separate rate the respondent received in the past. See Manganese Metal from the People's Republic of China, Final Results and Partial Recission of Antidumping Duty Administrative Review, 63 FR 12441 (March 13, 1998). In the instant reviews, these companies submitted complete responses to the separate rates section of the Department's questionnaire. The evidence submitted in these reviews by Shandong Huarong, LMC, and TMC, which is consistent with the Department's findings in previous reviews, is sufficient on its own merits in demonstrating independence from the government entity. We therefore preliminarily determine that these companies continue to be entitled to separate rates.

With respect to SMC and FMEC, we preliminarily determine that, due to the nature of the verification failures of both companies and the inadequacy of their cooperation, the integrity of these companies' reported data on the whole is compromised. See Verification Failures of SMC and FMEC above. Therefore, we determine that SMC and FMEC did not adequately establish entitlement to rates separate from the government entity.

Adverse Facts Available

On April 23, 1998, the Department sent a questionnaire to the Ministry of Foreign Trade and Economic Cooperation ("MOFTEC") in order to collect information relevant to the calculation of the PRC-wide rate. MOFTEC did not respond. SMC and FMEC likewise did not provide a consolidated response representing all non-independent exporters of HFHTs. In addition, as discussed above in the section entitled "Verification Failures," the accuracy of SMC's and FMEC's individual responses could not be substantiated at verification. The verification failures resulted from these companies' repeated failure to supply a wide variety of requested information. Therefore, the Department finds that, pursuant to sections 776(a)(2)(D) and 776(b), the use of an adverse inference is appropriate in determining a dumping margin, as the PRC entity has not acted "to the best of its ability to comply with [our] request for information." As explained in the section entitled "Separate Rates," the

PRC entity includes both SMC and FMEC.

Furthermore, section 776(b) of the Act authorizes the Department to use adverse facts available (FA) whenever it finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with the Department's requests for information. Because MOFTEC did not respond and because SMC and FMEC failed to substantiate large portions of their questionnaire responses, we determine that the PRC-wide entity did not cooperate to the best of its ability with our requests for information. See the Adverse Facts Available Memorandum, January 29, 1999. Therefore, pursuant to section 776(b) of the Act, we are relying on adverse FA to determine the margin for the PRC-wide entity, which includes SMC and FMEC. As outlined in section 776(b) of the Act, adverse facts available may include reliance on information derived from: (1) The petition, (2) a final determination in the investigation, (3) any previous review under section 751 of the Act or determination under section 753 of the Act, or (4) any other information placed on the record.

For each of these proceedings, we have used as adverse FA for the PRC-wide rate the highest rate from this or previous segments of the proceeding. In this case, we have used the PRC-wide rates from the most recent review, which are also the highest rates from any segment of the respective proceedings. Specifically, the PRC-wide rates are: 21.93 percent for axes/adzes; 66.32 percent for bars/wedges; 44.41 percent for hammers/sledges; and 108.2 percent for picks/mattocks. The margins selected are calculated rates that have been used consistently in recent segments of these proceedings. See Adverse Facts Available Memorandum, January 29, 1999. We have determined that these margins are appropriate to use as FA.

Section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate secondary information from independent sources reasonably at its disposal. The Statement of Administrative Action, H.R. Doc. 316, Vol. 1, 103d Cong., 2d Sess. 870 (1994) (SAA) provides that "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value. See Statement of Administrative Action, at 870.

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 surrogate values,

there are no independent sources for calculated dumping margins. The only source for calculated margins is an administrative determination. Thus, in an administrative review, if the Department chooses as adverse FA 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 FA, 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, 49568 (September 26, 1995) (the Department disregarded the highest margin as best information available because that margin was based on an extraordinarily high business expense resulting from uncharacteristic investment activities, which resulted in the high margin). Because the selected margin has been consistently applied in previous segments of these proceedings, and because there is no evidence to suggest that the margin is not relevant, the Department finds no need to disregard such information as appropriate FA.

Export Price

In accordance with section 772(a) of the Act, the Department calculated an export price (EP) on sales to the United States, because use of constructed export price was not warranted. We made deductions from the selling price to unaffiliated parties, where appropriate, for ocean freight, marine insurance, foreign brokerage and handling, and foreign inland freight. Each of these services, with one exception, was either provided by a NME vendor or paid for using a NME currency. Thus, we based the deduction for these movement charges on surrogate values. See the discussion regarding companies located in NME countries and the Department's surrogate country selection in the *Normal Value* section of this notice. The one exception concerns Shandong Huarong, which reported ocean freight that was provided by a market economy vendor and paid for using a market economy currency. The affected transactions accounted for a small portion of its U.S. sales. Therefore, we used the market economy ocean freight rate only for those sales.

For Shandong Huarong's other sales and for the other respondents, we valued ocean freight using the official tariff rates published for hand tools by the Federal Maritime Commission. Where possible we used the rates for 20 and 40 foot container shipments between the ports reported in the respondents' Bills of Lading. If port-specific rates were not available, we used the regional rates calculated in the Final Determination of Sales at Less Than Fair Value: Brake Drums and Brake Rotors From the People's Republic of China (Brake Drums and Brake Rotors), 62 FR 9160 (February 28, 1997). We converted per container rates by dividing the container rate by 18 metric tons. This conversion was used in the previous two HFHTs reviews. We valued marine insurance using the average rate in effect during the period of review. This rate was reported in the public version of the questionnaire response placed on the record in *Stainless Steel Wire Rod From India*, 63 FR 48184 (September 9, 1998).

For foreign brokerage and handling, we used the average of the rates reported in the questionnaire response in the antidumping duty investigation of *Stainless Steel Wire Rod From India*, 63 FR 48184 (September 9, 1998). These rates were in effect between February 1997 and January 1998.

The sources used to value foreign inland freight are identified below in the *Normal Value* section of this notice. To account for price changes between the time period that the freight, brokerage, and insurance rates were in effect and the period of review (POR), we inflated the rates using the wholesale price indices (WPI) for India as published in the International Monetary Fund's (IMF) publication, *International Financial Statistics*. For further discussion of the surrogate values used in these reviews see the File Memorandum From the Team, *Surrogate Values Used for the Preliminary Results of the Seventh Administrative Reviews of Certain Heavy Forged Hand Tools From the People's Republic of China* ("Surrogate Value Memorandum"), (January 29, 1999), which is on file in the CRU—Public File.

Normal Value

For companies located in NME countries, section 773(c)(1) of the Act provides that the Department shall determine normal value (NV) using a factors of production methodology if (1) the subject merchandise is exported from an NME country, and (2) available information does not permit the calculation of NV using home-market

prices, third-country prices, or constructed value, in accordance with section 773(a) of the Act. Section 351.408 of the Department's regulations sets forth the Department's methodology for calculating the NV of merchandise from NME countries.

In every case conducted by the Department involving the PRC, the PRC has been treated as an NME country. Since none of the parties to these proceedings contested such treatment in these reviews, we calculated NV in accordance with section 773(c) of the Act and § 351.408 of the Department's regulations.

In accordance with section 773(c)(3) of the Act, the FOP utilized in producing HFHTs include, but are not limited to—(A) hours of labor required, (B) quantities of raw materials employed, (C) amounts of energy and other utilities consumed, and (D) representative capital cost, including depreciation. In accordance with section 773(c)(4) of the Act, the Department valued the FOP, to the extent possible, using the cost of the FOP in a market economy that is—(A) at a level of economic development comparable to the PRC, and (B) a significant producer of comparable merchandise. We determined that India is comparable to the PRC in terms of per capita gross national product, the growth rate in per capita income, and the national distribution of labor. Furthermore, India is a significant producer of comparable merchandise. For a further discussion of the Department's selection of India as the surrogate country, see the Memorandum From Jeff May, Director, Office of Policy, to Holly Kuga, Senior Office Director, AD/CVD Enforcement Group II, dated June 23, 1998, "Certain Heavy Forged Hand Tools ("Hand Tools") from the People's Republic of China: Nonmarket Economy Status and Surrogate Country Selection" which is on file in the CRU—Public File.

In accordance with section 773(c)(1) of the Act, for purposes of calculating NV, we valued PRC FOP based on data for the POR. Surrogate values that were in effect during periods other than the POR were inflated or deflated, as appropriate, to account for price changes between the effective period and the POR. We calculated the inflation or deflation adjustments for all factor values, except labor, using the wholesale price indices for India that were reported in the IMF's publication, *International Financial Statistics*. We valued PRC FOP as follows:

(1) We valued direct materials used to produce HFHTs (*i.e.*, steel, steel scrap, wood, paint, paint thinner (dilution), and anti-rust oil) and the steel scrap

generated from the production of HFHT's using the rupee per metric ton, per kilogram, or per cubic meter value of India imports between February 1997 through September 1997. We used imports into India between April 1995 and March 1996 to value steel bars used to produce HFHTs because the HTS subheading that we selected for the steel surrogate value, HTS 7214.50, does not appear in the Indian import statistics for February 1997 and September 1997.

In the prior reviews of HFHTs, the Department used the HTS category 7214.50 as a surrogate value for steel. This category was for "Forged Bars and Rods Containing 0.25% or Greater But Less Than 0.6% Carbon." The use of this category was based on the fact that it was the closest HTS category known to the Department in terms of carbon content and other input material. However, this HTS category is for steel purchased in finished rod and bars. In our search for the best possible surrogate value in this review we uncovered an HTS category for unfinished steel, 7207.20.09. We found that this steel has the same carbon content as 7214.50, but is unfinished. For further discussion regarding the HTS category used to value steel, see Decision Memorandum to Holly A. Kuga, Senior Director, Enforcement Group II, dated January 29, 1999, "Issues Concerning Surrogate Values for Steel: 1997/1998 Antidumping Duty Administrative Review of Certain Heavy Forged Hand Tools From the People's Republic of China," which is on file in the CRU. We used import statistics in our valuations that were published in

the Monthly Statistics of the Foreign Trade of India, Volume II—Imports (Indian Import Statistics).

(2) We valued labor based on a regression-based wage rate, in accordance with 19 CFR 351.408(c)(3).

(3) We derived ratios for factory overhead, selling, general and administrative (SG&A) expenses, and profit using information reported for 1995–1996 in the Reserve Bank of India Bulletin. From this information, we were able to calculate factory overhead as a percentage of direct material, labor, and energy expenses; SG&A as a percentage of the total cost of manufacturing; and profit as a percentage of the sum of the total cost of manufacturing and SG&A.

(4) We valued packing materials, including cartons, pallets, anti-rust paper, anti-damp paper, plastic straps, plastic bags, iron buttons and knots, and iron wire, using the rupee per metric ton, per kilogram, or per cubic meter value of imports into India between February 1997 and September 1997. The import values were sourced from the Monthly Statistics of the Foreign Trade of India, Volume II—Imports (Indian Import Statistics). We used the Indian Import data for February 1995 to value pallets because the HTS subheading that we selected for pallets, HTS 4415.20, was not available in kilograms.

(5) We valued coal using the price of steam coal in India in 1996 as reported in the International Atomic Energy Agency's publication, Energy Prices and Taxes, Second Quarter 1998 (EPT).

(6) We valued electricity using the 1995 Indian electricity prices for industrial use as reported in the EPT.

(7) We used the following sources to value truck and rail freight services incurred to transport direct materials, packing materials, and coal from the suppliers of the inputs to the factories producing HFHTs:

Truck Freight—If a respondent used its own trucks to transport material or subject merchandise, we valued freight services using the average cost of operating a truck, which we calculated from information published in the Times of India on April 24, 1994. If a respondent did not use its own trucks or the respondent did not state that it used its own trucks, we valued freight services using the rates reported in an August 1993 cable from the U.S. Embassy in India to the Department. See Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers from the People's Republic of China, 58 FR 48833 (September 20, 1993).

Rail Freight—We valued rail freight services using the April 1, 1995 rates published by the Indian Railway Conference Association. These rates were recently used in Brake Drums and Brake Rotors. For further discussion of the surrogate values used in these reviews, see the Surrogate Value Memorandum, January 29, 1999, which is on file in the CRU—Public File.

Preliminary Results of the Reviews

As a result of our reviews, we preliminarily determine that the following margins exist for the period February 1, 1997 through January 31, 1998:

Manufacturer/exporter	Time period	Margin (percent)
Shandong Huarong General Group Corporation, Bars/Wedges	2/1/97–1/31/98	3.48
Liaoning Machinery Import & Export Corporation, Bars/Wedges	2/1/97–1/31/98	0.00
Tianjin Machinery Import & Export Corporation:		
Hammers/Sledges	2/1/97–1/31/98	2.78
Picks/Mattocks	2/1/97–1/31/98	0.00
PRC-wide rates:		
Axes/Adzes	2/1/97–1/31/98	21.93
Bars/Wedges	2/1/97–1/31/98	66.32
Hammers/Sledges	2/1/97–1/31/98	44.41
Picks/Mattocks	2/1/97–1/31/98	108.2

Parties to the proceeding may request disclosure within 5 days of the date of publication of this notice, in accordance with 19 CFR 351.224. Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing, if requested, will be held 37 days after the publication of this notice, or the first workday thereafter. Interested parties may submit written

comments (case briefs) within 30 days of the date of publication of this notice in accordance with 19 CFR 351.309(c)(2). Rebuttal comments (rebuttal briefs), which must be limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication. The Department will publish a notice of the final results of these administrative reviews, which will include the results of its analysis of

issues raised by the parties, within 120 days of publication of these preliminary results.

The final results of these reviews shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties.

Duty Assessment Rates

The Department shall determine, and the Customs Service shall assess,

antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), we have calculated an importer-specific *ad valorem* duty assessment rate based on the ratio of the total amount of the dumping margins calculated for the examined sales to the total entered value of those same sales. In order to estimate the entered value, we subtracted international movement expenses from the gross sales value. This rate will be assessed uniformly on all entries of that specific importer made during the POR. In accordance with 19 CFR 351.106 (c)(2), we will instruct the Customs Service to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis*, i.e., less than 0.5 percent. The Department will issue appraisal instructions directly to the Customs Service.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the final results of these administrative reviews for all shipments of HFHTs from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date of this notice, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rates for the reviewed companies named above which have separate rates (Shandong Huarong, LMC, and TMC) will be the rates for those firms established in the final results of these administrative reviews for the classes or kinds listed above; (2) for any previously reviewed PRC and non-PRC exporter with a separate rate, the cash deposit rate will be the company-specific rate established for the most recent period; (3) for all other PRC exporters, the cash deposit rates will be the PRC-wide rates established in the final results of these reviews; and (4) the cash deposit rates for non-PRC exporters of subject merchandise from the PRC will be the rates applicable to the PRC supplier of that exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative reviews.

Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under § 351.402 of the Department's regulations 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.

These administrative reviews and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 1677f(i)(1)).

Dated: January 29, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[I.D. 012299C]

Notice of Intent to Prepare an Environmental Impact Statement Regarding Proposed Issuance of an Incidental Take Permit to Crown Pacific for Forest Management and Timber Harvest in Whatcom and Skagit Counties, Washington

AGENCIES: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration, Commerce; Fish and Wildlife Service (FWS), Interior.

ACTION: Notice of intent.

SUMMARY: Pursuant to the National Environmental Policy Act, this notice advises the public that NMFS and FWS (the Services) intend to prepare an Environmental Impact Statement (EIS) related to the proposed approval of a Habitat Conservation Plan (Plan) and an issuance of an incidental take permit (Permit) to take endangered and threatened species in accordance with the Endangered Species Act of 1973, as amended (Act). The Permit applicant is Crown Pacific, Ltd., and the application is related to forest management and timber harvest on a portion of the Hamilton Tree Farm located in Whatcom and Skagit Counties, Washington.

Crown Pacific intends to request a Permit for the northern spotted owl (*Strix occidentalis*), marbled murrelet (*Brachyramphus marmoratus*), gray wolf (*Canis lupus*), peregrine falcon (*Falco peregrinus*), bald eagle (*Haliaeetus leucocephalus*), and the grizzly bear (*Ursus arctos*). It may also request a permit for 22 currently unlisted species of concern (including anadromous and resident fish), should

these species be listed under the Act in the future.

The Services are furnishing this notice in order to advise other agencies and the public of our intentions and to announce that a draft EIS is expected to be available for public review and comment during the first quarter of 1999.

ADDRESSES: Address comments and requests for information to: Brian Bogaczyk, Fish and Wildlife Service, 510 Desmond Drive, SE, Suite 102, Lacey, Washington 98503, telephone (360) 753-5824; or Matt Longenbaugh, National Marine Fisheries Service, 510 Desmond Drive, SE, Suite 103, Lacey, Washington 98503, telephone (360) 753-7761.

SUPPLEMENTARY INFORMATION: Crown Pacific, Ltd., owns and manages the Hamilton Tree Farm, located in Whatcom and Skagit Counties, Washington. The proposed Plan area is composed of several parcels of the Hamilton Tree Farm, totaling 84,664 acres, and is located north and south of State Highway 20, roughly between Sedro-Woolley and Marblemount, Washington. Management activities on the tree farm include forest management and timber harvest. A portion of the proposed Plan area, Arlecho Creek, is in the process of being transferred to the Nature Conservancy and the Lummi Indian Nation, with the understanding that the property will be managed indefinitely as a natural and cultural area. The transfer is expected to be completed in late 1999.

Some timber management activities have the potential to impact species subject to protection under the Act. Section 10 of the Act contains provisions for the issuance of Permits to non-Federal land owners for the take of endangered and threatened species, provided the take is incidental to otherwise lawful activities and will not appreciably reduce the likelihood of the survival and recovery of the species in the wild. In order to receive a Permit, the applicant must prepare and submit to the Services for approval a Plan containing a strategy for minimizing, monitoring, and mitigating all take associated with the proposed activities to the maximum extent practicable. The applicant must also ensure that adequate funding for the Plan will be provided. If approved, the Permit and Plan would be in effect for 100 years.

Activities proposed for Permit coverage include the following: Tree site preparation; tree planting; harvesting and yarding of timber; construction, maintenance and use of logging roads and landings; quarrying of stone and