Act at 40 CFR 1503.3 in addressing these points.

Dated: March 25, 1998.

Hugh C. Thompson,

Forest Supervisor, Dixie National Forest.

[FR Doc. 98–8863 Filed 4–3–98; 8:45 am]

BILLING CODE 0224–10–M

DEPARTMENT OF AGRICULTURE

Grain Inspection, Packers and Stockyards Administration

Advisory Committee Meeting

Pursuant to the provisions of section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463), notice is hereby given of the following committee meeting:

Name: Grain Inspection Advisory Committee.

Date: May 13–14, 1998.

Place: Kansas City Airport, Marriott, 775 Brasilia, Kansas City, Missouri.

Time: 8:00 am–5:00 pm on May 13; and 8:00 am–11:30 am on May 14, 1998.

Purpose: To provide advice to the Administrator of the Grain Inspection, Packers and Stockyards Administration (GIPSA) with respect to the implementation of the U.S. Grain Standards Act (7 U.S.C. 71 *et seq.*).

The agenda includes a tour of the Agency's Technical Center and a review and discussion of GIPSA's financial status, moisture meter implementation plan, strategy for implementing corn protein, oil, and starch testing, and wheat research results.

The meeting will be open to the public. Public participation will be limited to written statements, unless permission is received from the Committee Chairman to orally address the Committee. Persons, other than members, who wish to address the Committee or submit written statements before or after the meeting, should contact the Administrator, GIPSA, U.S. Department of Agriculture, 1400 Independence Avenue, SW, STOP 3601, Washington, D.C. 20250–3601, telephone (202) 720–0219 or FAX (202) 205–9237.

Dated: March 27, 1998.

David R. Shipman,

Acting Administrator.

[FR Doc. 98–8729 Filed 4–3–98; 8:45 am]

BILLING CODE 3410–EN–P

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; Final Results of Antidumping Duty Administrative Reviews

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

ACTION: Notice of final results of antidumping duty administrative reviews.

SUMMARY: On November 12, 1997, the Department of Commerce published the preliminary results of its administrative reviews of the antidumping duty orders on heavy forged hand tools from the People's Republic of China. The period of review is February 1, 1996, through January 31, 1997.

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

EFFECTIVE DATE: April 6, 1998.

FOR FURTHER INFORMATION CONTACT: Matthew Blaskovich or Wendy Frankel, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482–4697 or (202) 482–5849, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise stated, 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 (the Department's) regulations are references to the provisions codified at 19 CFR part 353 (April 1997).

Background

On November 12, 1997, the Department published in the **Federal Register** the preliminary results of the administrative reviews of the antidumping duty orders on heavy forged hand tools, finished or unfinished, with or without handles (HFHTs) from the People's Republic of China (PRC) (62 FR 60684). We received case and rebuttal briefs from the petitioner, O. Ames Co., and its division, Woodings-Verona. We also received consolidated case and rebuttal briefs from the respondents. One respondent also submitted an additional case brief. The Department has now completed 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 wool 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 provided for under the following Harmonized Tariff System (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.

These reviews cover five exporters of HFHTs from the PRC, Shandong Huarong General Group Corporation (Shandong Huarong), Liaoning Machinery Import & Export Corporation (LMC), Fujian Machinery Import & Export Corporation (FMEC), Shandong Machinery & Equipment Import & Export Corporation (SMC), and Tianjin Machinery & Equipment Import & Export Corporation (TMC) (collectively, the respondents). The period of review (POR) is February 1, 1996, through January 31, 1997.

Analysis of the Comments Received

We gave interested parties an opportunity to comment on the preliminary results. We received case and rebuttal briefs from the petitioner and case and rebuttal briefs filed by the respondents collectively, as well as a separate case brief from LMC.

Comment 1: Surrogate Value for Labor

The petitioner argues that the Department erroneously calculated labor costs by using surrogate value data sources in the publication, *Statistics on Occupational Wages and Hours of Work (SOOW).* The petitioner asserts that the data is deficient and inappropriate for use in this review because (1) the wage and salary rates listed in the *SOOW* are reported on a wide range of rates for a particular activity (*e.g.*, the industry segment, ''Manufacture of metal products (except machinery and equipment)'') from which the Department calculated a simple average; (2) the SOOW excludes fringe benefits payments, thereby understating labor values; and (3) this data has never been used before in HFHTs or any other antidumping proceeding. The petitioner argues that the Department should use data from *The Yearbook of Labour Statistics (YLS),* which provides more specific wage rate data and has been used in prior reviews of this proceeding.

The respondents contend that the labor data presented in the *SOOW* is more appropriate than that available in the *YLS* for use in this proceeding. The respondents note that the *SOOW* contains considerably more contemporaneous data (*i.e.*, from October, 1994 and 1995) than the *YLS* (the latest edition contains data from 1991). Moreover, the respondents claim, the *SOOW* labor data meets or exceeds minimum wages of reporting countries, since it includes basic wages, cost-of-living allowances and some fringe benefits. The respondents claim that contrary to the petitioner's assertions, the *SOOW* data generally results in an overstated HFHTs labor value since the *SOOW* data is based upon wages paid to full-time skilled workers, while the HFHTs industry (1) reports labor costs based on ''cap'' valuations, (caps generally represent the maximum amount of time spent to produce and pack the merchandise); (2) employs mostly unskilled and occasionally part-time workers; and (3) is labor intensive, and therefore representative of the lower end of the *SOOW* wage scale. Moreover, the respondents contend that the *SOOW* data is specific to the metal industry, which the YLS neglects to address. In addition, the respondents refute the petitioner's claim that the *SOOW* is a new source of data and note that the International Labor Office in Geneva, Switzerland, prepares both the *YLS* and the *SOOW*. Further, according to the respondents, any differences in ''total wages'' reported in the SOOW and ''labor costs'' in the *YLS* are minimal. Finally, the respondents claim that the petitioner's objection to the Department's use of the *SOOW* data is untimely, because the petitioner neglected to address this issue when the Department was soliciting surrogate value data for this administrative review.

DOC Position: We agree with the respondents, in part; however, we do not consider the petitioner's comments on our selection of labor values used for the preliminary results as untimely. While we have considered the shortcomings of the *SOOW* data (*e.g.*, it does not include all fringe benefits), we have determined that for this review period, the *SOOW* data reasonably reflects labor costs for the HFHTs industry.

It is the Department's aim to use surrogate price data which is: (1) an average non-export value; (2) representative of a range of prices within the POR if submitted by an interested party, or most contemporaneous with the POR; (3) product-specific; and (4) tax-exclusive. *See Final Results of Antidumping Duty Administrative Review; Sebacic Acid from the People's Republic of China,* 62 FR 10530, 10534 (March 7, 1997). The data in the *SOOW* meets all four of these criteria. First, it reflects an average non-export value. Second, the October 1994 and 1995 *SOOW* data is the most contemporaneous surrogate labor data available for India. Third, the *SOOW* data is specific to the metal industry. We used wage rate data included in the category ''Manufacture of metal products, except machinery and equipment,'' because this category was the best match for the HFHTs industry. Fourth, the *SOOW* data is tax-exclusive. In addition, we disagree with the petitioner that the *SOOW* data understates labor values because, as the respondents note, the *SOOW* data reflects salary rates for skilled, full-time workers in generally capital intensive industries, whereas, the HFHTs industry utilizes predominately unskilled laborers (often working part-time) in labor intensive production. Further, we note that notwithstanding the petitioner's argument regarding the *YLS* data, the petitioner has not submitted the *YLS* data on the record for this review, and therefore, we are unable to address any specific claims with regard to the *YLS* data. As the *SOOW* data reasonably reflects labor costs in the HFHTs industry, we will continue to use *SOOW* data in calculating labor costs for these final results.

Comment 2: Labor and Paint Factors—Facts Available

The petitioner contends that the statute, regulations, and legislative history are clear with regard to the circumstances meriting the Department's use of facts available (FA), and concurs with the Department's decision to apply adverse FA in determining LMC's labor and paint costs for the production of wedges. However, the petitioner objects to the Department's use of LMC's highest reported ''cap'' data as FA rather than resorting to an overall adverse FA rate. The petitioner cites the Department's October 31, 1997, verification report and October 31, 1997, Memorandum to Richard Moreland regarding use of FA (FA Memo, 10/31/97) to support its claim that LMC could not substantiate the validity of its reported labor and paint consumption costs, and thus, the Department should not rely on any of the reported data despite its higher cost in relation to other ''cap'' amounts. The petitioner argues that using such data would be contrary to Department practice and the antidumping statute, as it would allow LMC to profit from its lack of cooperation. The petitioner cites to Department and court precedent to show that as FA the Department should use the highest margin calculated for another producer of wedges in this proceeding.

LMC stresses the fact that its factory is an extremely small operation with limited record-keeping abilities, thus the Department should apply a less stringent standard in valuing labor and paint costs. LMC notes that the amounts it reported were comparable to the figures the Department verified for Shandong Huarong, and the Department was able to adequately verify all other factor inputs at LMC. Therefore, according to LMC, the Department should reasonably assume that LMC's reported ''cap'' valuations are representative of its labor and paint costs. Further, LMC contests the petitioner's recommendation that the Department use total FA, given the circumstances. LMC contends that the petitioner's arguments hinge on limited situations and precedent where total FA was applied, and are not applicable for this proceeding. LMC argues that, at most, the Department should use the partial FA as assigned in the preliminary results.

DOC Position: As indicated in the preliminary results, the Department could not verify LMC's reported labor and paint consumption figures for the wedge models produced. Therefore, pursuant to section 776(a) of the Act, we used FA for labor and paint. We disagree with the petitioner that our failure to apply a total FA margin is inconsistent with the antidumping statute and Department precedent. While the statute allows the Department to use FA in reaching the applicable determination, it does not indicate what facts the Department must employ in applying FA, and does not require the application of total FA in every instance.

In deciding to use partial FA, we note that we adequately verified all other factor inputs reported by LMC. As labor and paint constitute a relatively small proportion of total costs, the integrity of the overall response is not called into question by the labor and paint verification problem, and the use of partial FA is appropriate.

We further note that the cases cited by the petitioner, including *NSK Ltd.* v. *United States,* 809 F. Supp. 115, 119 (CIT 1992), merely affirm the broad discretion granted to the Department in applying FA and do not compel the Department to apply total FA under the circumstances present in this review.

On the other hand, the fact that at verification LMC provided minimal data for paint consumption and no data for labor consumption, despite our requests for information during verification, influenced our decision to apply adverse FA. As a result, pursuant to section 776(b) of the Act, we determined that LMC failed to cooperate by not acting to the best of its ability with regard to labor and paint factors and we used an adverse inference in applying FA for those factors.

Contrary to the petitioner's arguments, the data we selected as adverse partial FA does not reward LMC for failing to cooperate. While LMC's reported labor and paint amounts were comparable to those amounts verified for Shandong Huarong, the ''cap'' amounts used as adverse FA were greater than the highest ''caps'' reported for paint and unskilled labor by any other PRC producer of wedges in this review. Thus, by using LMC's highest ''cap'' amounts for paint and labor for any of its wedges as FA, the Department is satisfied that LMC will not benefit from its lack of cooperation.

Moreover, the statute permits the Department to rely on information placed on the record when making an adverse inference in using FA, such as the ''cap'' information provided by LMC. *See* section 776(b)(4) of the Act. Therefore, use of partial FA was a reasonable exercise of our authority, and we determine that our selection of the highest reported ''caps'' by the respondent as adverse partial FA was appropriate in this case.

Comment 3: LMC Steel Factors

The petitioner contends that LMC has presented contradictory information for the record regarding its steel usage. The petitioner contrasts LMC's original questionnaire response, which states, ''[t]he steel which is used is either ordinary 1045 grade steel round bar or rod or ordinary 1045 grade steel hexagonal bar or rod,'' with LMC's supplemental response, which claims that it uses scrap wheels from railroad cars. Furthermore, the petitioner alleges, record evidence does not demonstrate that LMC uses scrap railroad wheels in the production of the subject merchandise, nor was the Department able to substantiate the claimed scrap steel usage during verification at LMC's supplier. Moreover, the petitioner argues that LMC offered no information on the costs of producing the subject merchandise from scrap (i.e., scrap railroad wheels). The petitioner argues that given these inconsistencies and other errors, the Department should use total FA, and assign LMC either the average or the highest margin calculated for cooperative respondents of bars/wedges in this proceeding.

Citing the *Notice of Final Determination of Sales at Less Than Fair Value; Collated Roofing Nails From the People's Republic of China,* 62 FR 51410 (October 1, 1997) (*Nails*), LMC notes that the Department will accept data which is timely, verifiable, sufficiently complete, demonstrated to be provided based on the best of the respondent's ability, and can be used without undue difficulties. LMC explained that, prior to verification, it corrected the reporting error in its original response by stating in its July 24, 1997, supplemental submission that it used scrap railroad wheels instead of steel bars to produce wedges. In addition, LMC contends that the Department confirmed the factory's usage of scrap railroad wheels in the production of the subject merchandise. LMC cites the *Notice of Final Determination of Sales at Less Than Fair Value; Brake Drums and Brake Rotors from the People's Republic of China,* 62 FR 9160, (February 28, 1997) (*Brake Drums*) to demonstrate that the respondents are not required to submit error free responses to avoid the use of FA. LMC contends that the Department will use total FA only when a respondent is ''totally uncooperative.''

DOC Position: We disagree with the petitioner's argument that record evidence does not sufficiently demonstrate that LMC uses scrap railroad wheels in the production of the subject merchandise. During the factors verification conducted at the factory of LMC's supplier, we confirmed the supplier's use of scrap railroad wheels. *See* Factors Verification Report (LMC), October 31, 1997. In examining the company's records we were able to confirm the purchase of scrap railroad wheels, and found nothing to indicate the use of other steel inputs during the period in question.

Further, we concur with LMC's claim that it notified the Department in a timely fashion regarding an inadvertent error in reporting steel inputs. In its July 24, 1997, supplemental questionnaire response, LMC stated that it used scrap railroad wheels in the production of the subject merchandise. LMC submitted this correction as part of a response to the Department's supplemental questionnaire. Therefore, we consider the changes made by LMC in reporting for steel inputs to be a clarification of the record, consistent with the Department's requests for factual information and reporting requirements.

Comment 4: Surrogate Values for Steel Scrap

The petitioner argues that record evidence does not support the Department's use of HTS category 7204.4100, or likewise, any scrap category in valuing LMC's steel costs. The petitioner claims that railroad scrap is a premium quality scrap as opposed to the scrap by-products included in this category, which comprises the cheapest grades of scrap available, generally having a high copper content and, therefore, limited usefulness.

LMC notes that although the petitioner argues that HTS category 7204.4100 is not the correct HTS category for valuing the steel scrap inputs in this case, the petitioner could not propose a more appropriate category. LMC contends that the Department is correct in using HTS category 7204.4100 in valuating its railroad wheel scrap, since this category covers a wide range of steel scrap.

While LMC asserts that the Department used the correct HTS category to value steel inputs, LMC contends that the Department should recalculate the surrogate value within the HTS subheading used. LMC argues that the March 1996 Indian imports from Germany, Korea, and the United Kingdom are small in quantity and

aberrational in price, and therefore, should be disregarded to avoid distorting the per unit scrap value.

Notwithstanding its above argument, the petitioner contends that, should the Department continue to value steel using this HTS category, given the high quality and value attributed to scrap railroad wheels, the Department should not disregard the March 1996 Indian imports from Germany, Korea, and the United Kingdom, as requested by LMC. The petitioner notes that LMC has not provided any information which demonstrates that such import data is aberrational, but merely is seeking to drop the highest scrap values from the import data.

DOC Position: Section 773(c) of the Act directs the Department to value steel used by PRC producers during the POR by using prices of comparable steel in a market-economy country. We used the best data available, which is the data in HTS category 7204.4100. Despite its argument that we should not use this HTS category to value LMC's steel, the petitioner has provided no alternative HTS category that would be more appropriate for valuing LMC's scrap railroad wheels than HTS category 7204.4100. We will, therefore, continue to use this category for the final results.

With respect to the exclusion of data pertaining to small, aberrantly priced import quantities from individual countries, we agree with the respondents that inclusion of such data potentially may be distortive. It is our practice to disregard small-quantity import data when the per-unit value is substantially different from the per-unit values of the larger quantity imports of that product from other countries. *See, e.g., Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, from the People's Republic of China, Final Results of Administrative Reviews,* 62 FR 11813 (March 13, 1997) (Department's response to Comment 2); *Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from Romania, Final Results of Antidumping Duty Administrative Review,* 62 FR 37194 (July 11, 1997) (Department's response to Comment 1). Consistent with prior HFHTs reviews, we compared the March 1996 Indian data covering imports from Germany, the United Kingdom and Korea, with the Indian import data for the period February through August 1996 (excluding March), U.S. import data for the period January through October 1996, as well as Indonesian data for the calendar year 1996. We have determined that this Indian import data reflects small-quantity pricing and, therefore, will exclude such import data from our surrogate value calculation for these final results.

Comment 5: Use of Actual Factor Data or Use of ''Caps'

Citing *Brake Drums* (Department's response to Comment 19), LMC contends that the Department should apply the verified usage factors for coal, steel and ''other inputs'', rather than the respective ''cap'' amounts reported in its questionnaire response. With respect to coal, LMC claimed that the average per-wedge consumption figures determined at verification are lower than the reported ''caps'' because the ''caps'' were derived during a period when it used less efficient coal.

The petitioner contends the Department should not make modifications to the data reporting methodology established for these reviews. The petitioner states that LMC, as well as the other respondents, have chosen to report their cost data according to a long established ''cap'' reporting methodology. The petitioner argues that since LMC did not report factor values based on the information contained in its books and records, it would not be appropriate for the Department to accept the verified data simply because the factory had no prior experience with the antidumping process, as argued by LMC.

DOC Position: During verification, we were only able to derive average coal consumption figures for all wedges (as opposed to actual model-specific wedge consumption figures) due to LMC's lack of records detailing coal consumption on a model-specific basis. *See* Factors Verification Report (LMC), at 7, (October 31, 1997). There is no record evidence to indicate that the average verified figures are any more accurate with regard to model-specific coal consumption during the POR than the reported model-specific ''cap'' amounts. LMC claimed that the average wedge consumption figures provided at verification are lower than the reported ''caps,'' because the ''caps'' were established during a period when less efficient coal was used. However, LMC was not able to substantiate this claim. Thus, we have continued to use the reported ''caps'' for coal consumption in these final results of reviews.

The purpose of examining the ''caps'' at verification was to determine the accuracy of LMC's questionnaire responses. Verification is not normally an appropriate venue for the submission of new factual information, and we generally collect and use information gleaned at verification only when minor discrepancies are found or when we believe a respondent's methodology may not have been reasonable but can be simply changed. In this case, verification was an opportunity to determine whether LMC's and Shandong Huarong's ''caps'' represented a reasonable approximation of the factor inputs used in the production and distribution of the subject merchandise. *See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews,* 62 FR 2081, 2093, (January 15, 1997) (Department's response to Comment 4) (*AFBs*). Our conclusion was that there was no reason to believe that the actual data would differ significantly from the ''caps''. For instance, as a result of verifying LMC's response, we determined that while the steel and packing ''caps'' overstated some factor inputs and underestimated others, on balance LMC's ''caps'' were a reasonable reflection of its actual experience and that any deviation from the reported ''caps'' would be insignificant. This is in contrast to the circumstances in *Brake Drums,* where the verified data differed so significantly from the reported information that use of the reported data would have distorted the margin. *See Brake Drums,* (Department's response to comment 19).

LMC's proposal would convert verification, which is an opportunity to check the accuracy of information previously submitted, into a data-gathering exercise. Furthermore, in LMC's case, although we have the data to replace the estimated steel and packing ''caps'' with actual consumption or usage, the change to our calculations, given the advanced stage of these reviews, would impose an unreasonable burden with no significant increase in accuracy in light of the results of our verification. Therefore, we have used LMC's ''caps'' as reported, except paint and labor. See the Department's position to comment 2 for a discussion of paint and labor, and AFBs. With regard to LMC's comments on ''other inputs,'' we are not sure what specific items LMC is referencing, and therefore, are unable to address this issue.

Comment 6: Surrogate Country Determination for Picks/Mattocks

The respondents contend that the Department should use a different surrogate country in valuing steel inputs for the production of picks/mattocks. The respondents assert that the Department determined in a prior HFHTs review that Indian steel import data prior to 1995 was unusable due to the small volume of imports in HTS

category 7214.50. Further, given the fact that there is no Indian import data for HTS category 7214.50 for the period after March 1996, the respondents contend that there is no indication such data will be available in the future, thus making this HTS category unreliable as a data source and inhibiting the respondents' ability to establish non-dumped prices for current and future reviews in light of exchange rate fluctuations. The respondents state that the Department's statutory language allows for a flexible approach to selecting surrogate country data, and suggests that there is no reason why the Department needs to use the same surrogate country for each of the four distinct hand tool product categories.

The respondents contend that the Department should use Indonesia as the surrogate country in valuing steel for picks/mattocks. The respondents state that there is considerable Indonesian import data specific to the POR as utilized in other antidumping proceedings, which the Department should use for this proceeding.

The respondents argue that, should the Department continue to use the Indian import statistics for HTS 7214.50 from the period April 1995 through March 1996, the Department should disregard Indian imports from Austria and Japan, as was done in the prior review since this data is too small in quantity and too high in value. The respondents further contend that the Department should also disregard Belgian imports in its factor valuation. The respondents suggest that the Belgian import values are very high compared to imports from Brazil and Saudi Arabia, and therefore, may include special bar quality steel (SBQ), a high grade of steel, not used to produce the subject merchandise. According to the respondents, the Department has consistently determined that import data is aberrational and thus, unusable when the imports are too small in quantity to be reliable and extremely high in value compared to other sources. Finally, the respondents state that if the Department continues to use the April 1995 through March 1996 data, it should adjust that data for inflation.

The petitioner contends that the Department should continue to value steel using Indian surrogate country data. The petitioner emphasizes that the Department has consistently rejected the use of Indonesian surrogate data in previous reviews of HFHTs. The petitioner further contends that the respondents offer no justification why the Department should utilize Indonesian surrogate value data only for picks/mattocks, as opposed to other categories of the subject merchandise, most of which are made from steel that falls under the same HTS subheading. Moreover, the petitioner asserts that there is no deficiency in the data; the data encompasses a time frame which overlaps the POR by two months. The petitioner also refutes the respondents' arguments that the Department's reliance on Indian surrogate values has disadvantaged them because of the delay and lack of reliability of these statistics. The petitioner notes that all countries have delays in issuing import statistics and maintains that contrary to the respondents' arguments, the practice of using prior year Indian import statistics and adjusting them for inflation, should in fact make it easier for PRC producers to establish non-dumped prices.

The petitioner further contends that import data can not be rejected on the mere basis that values are too high or low, and notes that the Department only rejects aberrational surrogate value data. The petitioner also refutes the respondents' speculation that the price differential between the current Belgian values and the values from other countries proves that the Belgian imports include SBQ steel. Moreover, the petitioner contends that no grounds exist for the exclusion of the Belgian data, even if it does reflect imports of SBQ steel. The petitioner notes that the Department acknowledged in the prior review that HTS category 7214.50 includes both merchant quality as well as SBQ steel, but it is still the appropriate subcategory to use for surrogate steel values for the production of HFHTs since 1045 carbon steel, the steel actually used in the production of HFHTs, is also classified under this HTS subheading. In light of these facts, the petitioner concludes that Belgian imports should not be excluded from the Department's calculation of steel values. Finally, the petitioner claims that the Department should confirm that HTS category 7214.50 has, in fact, been reclassified as HTS category 7214.99.

DOC Position: Section 773(c) of the Act directs the Department to value steel used by PRC producers during the POR by using prices of comparable steel in a market-economy country. *See* the Department's position with regard to comment 4. With the exception of LMC, all of the respondents use 1045 carbon steel to produce HFHTs. We verified this fact in this review with regard to Shandong Huarong (in prior reviews, the identical steel grade was used by the respondents). This type of steel is classified under HTS category 7214.50 of the Indian import statistics. Therefore, in our preliminary results, we used the most recently published Indian surrogate data under this category, which provides import values for the period April 1995 through March 1996. Consistent with Department policy and our practice in prior reviews, we inflated the calculated factor value to reflect current prices. Moreover, because the respondents have not substantiated their claim that the data used for the preliminary results are unreliable, we do not agree that we should alter our methodology or use a different surrogate country to value steel for the production of picks/mattocks for purposes of these final results. Although the respondents assert that there is import data more specific to the POR, they have provided no record evidence to support their contention that Indonesian surrogate value data would be more appropriate in the picks/mattocks review. Further, we dispute the respondents' claim that the factor value was based on a small volume of Indian imports, when in fact the factor value calculated for the prior 1995–1996 HFHTs review was based on a considerably smaller import volume.

Further, we note that as we could not substantiate the petitioner's claim that HTS category 7214.50 was reclassified as HTS category 7214.99, we have continued to value steel using HTS category 7214.50 of the Indian import statistics.

With regard to Indian imports from Austria and Japan, as in the prior review, we have determined that the respective import quantities are significantly smaller than the imports from other countries during the April 1995 through March 1996 period, and the per-unit values significantly higher. The Department's policy is to disregard imports of small quantities in calculating surrogate values when the per-unit value of these imports is at variance with other information on the record. *See* the Department's response with regard to comment 4. We therefore have excluded the Japanese and Austrian imports from our calculations as the per-unit values of those imports are substantially different from the per-unit values of the larger quantity imports under that HTS category from other countries. We do not agree with the respondents, however, concerning the Belgian imports. Although the per-unit value of Belgian imports into India under the HTS category are higher than the per-unit values of other imports (except from Japan and Austria), the quantities of the Belgian imports are comparable to those from the remaining countries and there is no information on the record to substantiate the

respondents' claim that these values are in any way aberrational. Therefore, we have continued to include them in our factor valuations for these final results.

Comment 7: Ocean Freight

The respondents contend that the source used by the Department to calculate the ocean freight rate between Qingdao/Dalian and Los Angeles for these reviews was inappropriate because the rate used was based on proprietary information and is not available to all shippers. The respondents argue that the proprietary nature of this data puts other shippers at a disadvantage since they do not have access to this information. Further, the respondents claim that this rate is highly inflated since it was based on sample shipments and is not representative of other shipments of the subject merchandise, even those made by the same shipper. In addition, the respondents assert that this rate should not be used, since shipments identified on record as going to Los Angeles may in fact go to the adjacent port of Long Beach.

The other source used by the Department to calculate ocean freight charges was based on Federal Maritime Commission (FMC) data used in *Brake Drums.* Although the respondents do not contest the use of these rates, they request that the Department make downward adjustments to these rates in order to account for price changes between July/August 1995 (the period from which the data was derived) and the POR, by using indices from the Bureau of Labor Statistics, Division of International Prices, U.S. Department of Labor.

The petitioner contends that the record disproves the respondents' claims that the source used to derive ocean freight charges for the Los Angeles route is proprietary since this information is contained in the October 31, 1997 public memorandum to the file regarding surrogate value selection for the preliminary results of these administrative reviews. The petitioner also contends that the Department must rely on verified record evidence regarding U.S. ports of entry, and disregard the respondents' new claim that Long Beach may be the actual port of entry on shipments destined for Los Angeles. The petitioner questions the integrity of the respondents' port of entry claims, and therefore, asserts that the Department should use as FA, Los Angeles as port of entry for all shipments to the United States. In addition, the petitioner contends that the respondents' request that the Department adjust the FMC rates based on publicly available indices is untimely, since such data should have been presented when the Department solicited publicly available information on surrogate values. Moreover, the petitioner notes that the respondents provide no details on what these indices are or how they are maintained, and so there is no reasonable basis upon which to determine if they are even relevant to these reviews of HFHTs.

DOC Position: The ocean freight rate derived for shipments from Qingdao and Dalian to Los Angeles is public information derived from phone conversations with company officials at SeaLand Services, an international freight company. In our October 30, 1996, memorandum to the file in the prior administrative review of HFHTs, we inadvertently treated this as proprietary information. We have since confirmed with SeaLand Services officials that this is public information. *See* Memo to the File (March 12, 1998); Telephone Conversation between Department officials and SeaLand Services. Therefore, the respondents' assertion that this is not publicly available information is misplaced. Further, the respondents claim that certain shipments destined for Los Angeles may have instead been delivered to the adjacent port of Long Beach. We examined shipping and sales documentation during verification, and found no merchandise destined for Los Angeles diverted to Long Beach. Since nothing on the record demonstrates that certain shipments were diverted to Long Beach, we will continue to rely on record evidence regarding port of entry data and apply the appropriate freight charge.

Finally, with respect to the respondents' argument that the FMC rates used by the Department are overstated, the respondents have not provided any information on the record to substantiate this claim nor to demonstrate why it would be appropriate to adjust such rates based on certain indices from the U.S. Department of Labor. Therefore, we are not making any adjustments to the FMC rates used to calculate ocean freight for these final results of reviews.

Comment 8: Double-Counting Freight and Energy Costs as Part of SG&A, Overhead and Profit

The respondents contend that the Department overstated normal value by double-counting freight and energy costs. Specifically, the respondents argue that in addition to the separately stated freight and energy costs included in normal value, freight and energy costs were included in the selling, general and administrative expenses (SG&A), factory overhead, and the profit elements of normal value (*i.e.*, the financial statement used to compute selling, general and administrative expenses (SG&A), factory overhead, and profit ratios already include freight and energy costs either in the raw materials and energy costs themselves or in the ''other expenses'' category of SG&A). Therefore, the respondents argue, in order to avoid double-counting, and in accordance with the methodology used in *Brake Drums* (Department's position to comment 10), the Department should compute company-specific SG&A, factory overhead and profit amounts by multiplying the ratios used to compute these factors against the total sum of direct materials and direct labor, rather than the sum of direct materials, freight, direct labor, and energy.

The petitioner asserts that the Department correctly calculated and applied the ratios used to compute SG&A, factory overhead, and profit. The petitioner points out that the Indian financial statements used to compute these ratios did not separately report freight and freight related expenses. Thus, the petitioner claims it is reasonable to conclude that freight expenses were included within the direct costs (*e.g.*, materials and labor) reported in the financial statements. The petitioner asserts that because the Department included material and energy costs in the denominator of the ratio used to compute SG&A, factory overhead, and profit ratios the Department was correct to include them in the constructed value elements to which these ratios were applied. The petitioner further asserts that *Brake Drums* only applies if freight and freight related items are reported in the SG&A category of the financial statement used to derive the SG&A, factory overhead, and profit ratios. The petitioner maintains that the Indian financial data did not indicate that freight expenses were included as part of SG&A, and therefore, the Department's conclusion that these expenses were included as part of the direct costs was reasonable and appropriate.

DOC Position: We agree with the petitioner. In *Brake Drums*, the Department computed the overhead and SG&A ratios by using expenses listed on an Indian producer's financial statement that included freight (and delivery) expenses. By contrast, in this case, the respondents have provided no record evidence to suggest that the ''other expenses'' category under SG&A on the financial statements from the *Reserve Bank of India Bulletin* includes freight. Therefore, we have no reason to believe

that we have double-counted freight expenses in our calculation of normal value.

Furthermore, we disagree with the respondents' claim that the Department double counted energy costs because we excluded energy costs from the surrogate overhead expenses that were used to calculate the overhead, SG&A, and profit ratios. Therefore, applying these ratios to factors that included energy costs did not overstate energy costs.

Comment 9: Inland Freight

Citing *Sigma Corporation* v. *United States,* 117 F. 3d 1401 (Fed. Cir., July 7, 1997) (*Sigma*), the respondents argue that the Department's method of calculating inland freight (*i.e.*, using the distance from the supplier to the factory without comparing it to the distance from the port to the factory) is invalid. The respondents argue that in accordance with the Department practice subsequent to Sigma (*see e.g., Natural Bristle Paintbrushes and Brush Heads From the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review,* 62 FR 60228 (November 7, 1997) (*Paintbrushes*), the Department should amend inland freight expenses for each of the respondents to reflect the shorter of the distance between a) the closest PRC port and the factory or b) the PRC input supplier and the HFHT factory.

Further, the respondents contend that the Department should not increase normal value for inland freight expenses where the PRC producer is located at or near a port, since material inputs were transported over only very short distances. Again, citing *Sigma,* the respondents note that the cost of some inland freight in the exporting country is included in the import values, since the merchandise has to be transported from the factory to the port of export. The respondents claim that these inherent freight costs offset any inland freight costs incurred in the PRC for factories located in or near a port city. Thus, the respondents conclude that adding additional freight expenses to NV would result in double-counting.

The petitioner notes that in *Sigma,* the Court of Appeals for the Federal Circuit (CAFC) assumed that the PRC producer chooses between imports and internally produced merchandise on the basis of delivered price. The petitioner argues that this assumption only makes sense if the full delivered cost is used. Thus, the petitioner argues, if the Department adopts the lesser distance approach discussed above, it should include in normal value import duties on material inputs. The petitioner notes, however, that the Department has excluded surrogate country import duties from factor values in the past on the grounds that the factors of production methodology constructs a value for exported merchandise where duties have been rebated under duty drawback laws. However, the petitioner asserts that the respondents are not eligible for duty drawback on HFHTs because they cannot determine whether they produce HFHTs using domestic or imported steel and, thus, they do not choose suppliers based on the potential of duty drawback.

The petitioner contests the respondents' argument that foreign freight costs inherently included in surrogate country import values ''offset'' the inland freight costs incurred in the country of import. Regardless of a factory's location, the petitioner argues that there are still expenses related to transporting the merchandise from the port to the factory (*e.g.*, unloading at the port, loading onto inland freight transportation vessel, and unloading at the factory). Referencing the Department's determination in the 1993–1994 HFHTs reviews, the petitioner goes on to argue that a per-mile charge does not fully capture freight charges for short distances because the fixed costs of loading and unloading will constitute a higher proportion of total freight cost than on long hauls. In the 1993–1994 reviews, the Department used the freight cost for shipping goods between 25–100 kilometers (km) as the cost for shipping goods less than 100 km. For these instant reviews, the petitioner urges the Department to apply the same methodology.

DOC Position: The CAFC's decision in *Sigma* requires that we revise our calculation of source-to-factory surrogate freight values for those material inputs that are valued based on CIF import values in the surrogate country. The *Sigma* decision states that the Department should not use a methodology that assumes import prices do not have freight included and thus values the freight cost based on the full distance from the domestic input supplier to producer in all cases. Accordingly, we have added to CIF surrogate values from India a surrogate freight cost using the shorter of the reported distances from either (1) The closest PRC port to the HFHT factory, or (2) the domestic input supplier to the HFHT factory. Where the same input is sourced by the same producer from more than one source, we used the shorter of the reported distances for each supplier. *See Final Determination of Sales at Less Than Fair Value: Certain Cut To Length Carbon Steel Plate From the People's Republic of China,* 62 FR 61964, 61977 (November 20, 1997). In addition, we determined in the 1993–1994 HFHTs review that the fixed costs of loading and unloading short hauls will form a higher proportion of the total cost than long hauls, so minor differences in the distances shipped should not have a significant effect on the total cost. Therefore, where a producer is located at or near a port, we have determined that certain freight charges (*e.g.*, loading and unloading) are still incurred, and thus, have included inland freight expenses to reflect the respective distance between the producer and the port, even if that distance was less than 25 kilometers.

Finally, we disagree with the petitioner's suggestion that the Department add import duties to calculate the factor values for steel. The Department values inputs used by NME producers by determining the cost or price of the input in a market economy that is at a level of economic development comparable to that of the NME. *See* section 773(c)(4) of the Act. Since the Department's NME methodology is aimed at constructing the value of the merchandise for export, it is appropriate to use the costs the surrogate producer would face in producing merchandise for export. In this regard, when the Department uses import prices to value an input, the price of the input is adjusted to make it a delivered price by adding an amount for freight. *See Pure Magnesium From the People's Republic of China: Final Results of Antidumping Duty New Shipper Review,* 63 FR 3085, 3087 (January 21, 1998). However, consistent with our standard practice, we do not add Indian import duties to the values reported in the published Indian import statistics as those duties would have been rebated upon export of the finished products. *See Certain Cased Pencils From the People's Republic of China: Notice of Final Determination of Sales at Less Than Fair Value,* 59 FR 55625, 55634 (November 8, 1994); *Certain Helical Spring Lock Washers From the People's Republic of China: Final Determination of Sales at Less Than Fair Value,* 58 FR 48833, 48841 (September 20, 1993)(*Lock Washers*). We note that the cases cited by the petitioners, including *Lock Washers,* do not support adding import duties to the factor values. As *Sigma* only required the Department to alter its method of valuing foreign inland freight, we will

follow the Department's practice of not adding import duties to factor values.

Comment 10: Exchange Rate Conversion

The respondents contend that in accordance with Section 773A(a) of the statute, the Department should convert factor values in rupees to U.S. dollar values using the exchange rate in effect on the date of the U.S. sale. In the preliminary determination, the Department converted factor values to U.S. dollar values using the average exchange rate for the POR.

DOC Position: We agree with the respondents. We converted Indian rupees into U.S. Dollars using daily exchange rates in accordance with section 773A(a) of the Act.

Comment 11: Surrogate Values for Packing Materials

The respondents claim that the Department used inappropriate surrogate values for certain packing materials (*i.e.*, pallets, paper cartons and big iron knots or buttons—the case briefs refer to these items interchangeably). First, the respondents contend that during the period used to value pallets (February, through August 1996), Indian imports under the appropriate HTS category were very small, resulting in an overstated surrogate value for pallets. Consistent with the Department's practice in previous HFHTs reviews (*see* 1994–1995 and 1995–1996 reviews), the respondents urge the Department to disregard the Indian imports because of the limited quantity imported during the POR. As an alternative, the respondents ask that the Department use data from another surrogate country or value pallets by inflating the value used in the 1995–1996 HFHTs review.

The respondents further contend that the HTS category 4819.10, used to value cartons, covers many products that range widely in value. In addition, some of the imports are very small, indicating that they are not commercial shipments but samples or special orders. For these reasons, and the significant increase in the average value of Indian entries under this HTS subheading since the 1994–1995 review, the respondents request that the Department disregard all such imports that are less than one-half metric ton (or 500 kilograms). Furthermore, the respondents request that the Department compare the resulting value with values derived from other surrogate countries to determine if the value is aberrational.

Finally, the respondents contend that the iron knots utilized by the respondents are not similar to any of the metal packing material classified in HTS category 8309.90.09, which was used to value iron knots. Thus, the respondents contend that the Department grossly overvalued iron knots for the preliminary determination.

The petitioner claims that the import volume (155 pallets) that the Department used to compute the surrogate value for pallets is much closer to the volume actually used by the respondents in these reviews than the 1993 import volume (33,423 pallets) the respondents suggest the Department use to compute this surrogate value, and therefore, more accurately reflects the price the respondents would have paid for this item.

The petitioner refutes the respondents' argument regarding the calculation of Indian surrogate values for paper cartons, noting that since individual cartons weigh a very small amount, what appears to be a small number by weight is actually a significant number of cartons.

Finally, the petitioner argues that the Department should reject the respondents' claim regarding the Indian surrogate values for iron buttons because it is unsupported by any record evidence, and because the respondents provide no alternative method for this valuation.

DOC Position: We have carefully reviewed the information on the record of these reviews with regard to our calculation of surrogate values for pallets, paper cartons and iron knots. With respect to pallets, we compared the Indian import data with the Indian import data used in the prior review and with the Indonesian import data for the calendar year 1996. (U.S. data is reported in number of pallets rather than by weight, and therefore is not comparable.) We have determined that the quantities of Indian and Indonesian imports were very small in comparison to Indian imports in the prior period. Therefore, for these final results we have used the values from the 1995–1996 reviews and indexed them forward to the POR.

We do not agree with the respondents' assertions concerning paper cartons. We have compared the Indian import data for the HTS category used to value cartons for these reviews to the U.S. and Indonesian import data for the calendar year 1996, and to the Indian data used in the prior review period. We note that the data used for the current review does not represent a small quantity of imports in comparison to the Indian data from the prior review. Although the U.S. and Indonesian import quantities were much larger than the Indian imports, the per-unit values do not indicate that the smaller quantity Indian imports are aberrantly priced.

With respect to the respondents' assertion that the Department erroneously valued iron knots, we note that we used the most appropriate data available. Respondents did not provide any evidence to support their contention that this HTS category is inappropriate.

Therefore, for these final results, we will inflate the surrogate value used for pallets for the 1995–1996 review, but will continue to use the Indian surrogate values used in the preliminary results for paper cartons and iron knots.

Comment 12: Marine Insurance

Citing to the *Notice of Final Determination of Sales at Less Than Fair Value; Melamine Institutional Dinnerware Products from China*, 62 FR 1708, 1710 (January 13, 1997) (*Melamine*), the respondents contend that the Department should value marine insurance based on value of the subject merchandise and not according to weight. The respondents further contend that marine insurance rates should not be indexed (adjusted for inflation), because although the value of the property being insured is increasing, it is not clear that the insurance rates have increased.

The petitioner notes that in *Melamine*, the Department calculated marine insurance on the value of the subject merchandise because the record of that review demonstrated that marine insurance was incurred on a value basis. In these reviews, the petitioner contends, the respondents provide no evidence to show they incurred marine insurance based on the value of the merchandise, thus, the Department should not divert from the methodology used in the preliminary results of these reviews and in previous HFHTs reviews of calculating marine insurance based on the weight of the merchandise.

DOC Position: We have carefully reviewed the record in this review and have determined that one respondent, LMC, incurred this expense on the value of the merchandise. However, the record does not provide conclusive evidence that the other respondents incurred marine insurance expenses based on the value of the merchandise. In prior HFHTs reviews, we have valued marine insurance based on weight because record evidence indicated that is how these charges were incurred. In the current reviews, with the exception of LMC, the respondents have not submitted any evidence to the contrary. Thus, for these final results, we will continue to value marine insurance expenses based on weight for all

respondents except for LMC. Where we valued marine insurance expense by using surrogate value amounts based on weight from a prior period, we will inflate these surrogate values to reflect POR price levels. Where we used surrogate values for marine insurance based on value, there is no need to inflate the values since they already represent current POR values.

Comment 13: FMEC—Ocean Freight

FMEC argues that the ocean freight charge used by the Department in these reviews is highly inflated and should be revised using a rate based on publicly available data.

The petitioner notes that FMEC provides no support for its argument with regard to ocean freight.

DOC Position: We agree with the petitioner that FMEC has not substantiated its contention that the ocean freight rate used by the Department in these reviews was inflated. In addition, we note that the rates used are based on publicly available data. *See* the Department's position with regard to comment 7. Therefore, we have not revised our ocean freight calculations for these final results.

Comment 14: Shandong Huarong—Ocean Freight

Noting that it shipped subject merchandise using a market economy carrier, Shandong Huarong asserts that the Department should use the actual cost of these shipments rather than a surrogate value, for these expenses, regardless of the fact that it payed the shipper in Chinese currency (Renminbi). Shandong Huarong acknowledges that the Department's practice in NME reviews has been to require that the carrier be a market-economy shipper and that the payment be made in hard currency for the Department to use those actual expenses. However, Shandong Huarong contends the Department's second condition (*i.e.*, that payment be made in a market-economy currency) is no longer important since the service originated in the PRC, and therefore should be paid for with local currency. Shandong Huarong states that the Department can compare the converted rates to other publicly available ocean freight rates, to determine whether these rates are reasonable.

The petitioner contends the Department should not abandon its established methodology of only using the actual price of an input if the NME manufacturer purchases the input from a market-economy supplier and pays in a convertible currency. According to the petitioner, there is no assurance that using prices paid to market-economy suppliers in Renminbi are free from the same distortions that render prices of inputs purchased within the PRC unusable.

DOC Position: It is the Department's established practice to use the actual cost of a service in its calculations for an NME proceeding only when the service is provided by a market economy vendor and paid for in a convertible currency. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of Antidumping Duty Administrative Reviews,* 61 FR 65527, 655541 (December 13, 1996), and *Sulfanilic Acid From the People's Republic of China; Final Results of Antidumping Duty Administrative Review,* 61 FR 53711, 53716 (October 15, 1996). Although Shandong Huarong utilized a market-economy shipper for certain shipments, it paid a PRC trading company for the service in Renminbi, and, therefore, did not meet the latter condition. Therefore, we will continue to use a surrogate cost in valuing shipments utilizing PRC freight forwarders.

Comment 15: Shandong Huarong—Steel Factors

Shandong Huarong requests that the Department use the verified amounts for steel and packing material inputs, rather than its reported ''caps.'' Shandong Huarong points out that the actual steel and steel scrap consumption amounts vary significantly from the ''caps.'' Asserting that the statute requires the Department to use verified data, Shandong Huarong notes that the Department corrects data for errors found at verification. More specifically, Shandong Huarong points out that ''in the past the Department corrected the ''cap'' figures by using the verified numbers.''

The petitioner contends that the Department should rely upon Shandong Huarong's record data if differences between the ''caps'' and actual data are not significant. However, noting that it is established Department policy only to allow corrections for minor errors discovered at verification, the petitioner contends that should differences between reported ''caps'' and verified actual amounts be significant, then the Department should reject the data on record and resort to FA.

DOC Position: We disagree with Shandong Huarong's claim that use of actual steel consumption data collected during verification is warranted, as opposed to use of its reported steel ''caps.'' As a result of verifying Shandong Huarong's response, we determined that any deviations from its reported ''caps'' were insignificant, and therefore, we determined that on balance, Shandong Huarong's reported ''caps'' reflected a reasonable estimate of its actual costs. In addition, we note that there is no record evidence to support Shandong Huarong's contentions that we adjusted reported ''caps'' in prior reviews to reflect differences found at verification. In *Melamine,* we note that although adjustments were made as a result of verification findings, respondents in that case reported predominately actual costs, in contrast to the ''cap'' reporting methodology used in the HFHTs review proceedings. Verification in that case was to verify the actual costs, not to determine if what had been reported represents a reasonable estimate of actual costs. Therefore, for these final results, we will continue to use the reported ''caps'' with regard to Shandong Huarong's steel inputs. *See* the Department's response with regard to comment 5 for further discussion of this issue.

Comment 16: Shandong Huarong—Inland Freight

Shandong Huarong states that the price it paid to local suppliers of steel included freight charges, thus, the Department should use the verified information and not add additional freight charges to the price Shandong Huarong paid for steel.

The petitioner contends that Shandong Huarong did not offer evidence to support its argument that the steel price it paid included freight. The petitioner recommends that the Department continue to include a surrogate value for freight in its calculation of normal value.

DOC Position: We disagree with Shandong Huarong. As the Department values the steel inputs used by PRC producers in a comparable market-economy, its argument that domestic steel prices are inclusive of freight charges is irrelevant. Therefore, we have made no adjustments to Shandong Huarong's freight charges, with the exception of our change in valuing freight in accordance with *Sigma. See* the Department's position with regard to comment 9.

Comment 17: SMC—Inland Freight

SMC claims the Department should use the freight rate applicable for distances between 100 and 250 KM, and not the rate for 250–500 KM distances, to value the freight on subject merchandise shipments from a

particular producer that is 250 km from SMC.

The petitioner contends that given that both rates apply to the distance in question, the Department made a reasonable selection and should continue to use the rate for 250–500 KM in its final determination.

DOC Position: We agree with the petitioner that both rates apply to the distance in question. Therefore, we have determined to average the two rates applicable for distances of 250 kilometers (*i.e.*, the rate applicable for distances between 100 and 250 km and the rate applicable for distances between 250 and 500 km).

Comment 18: Ministerial Error Allegations

The respondents alleged that the Department made the following ministerial errors: (1) Shandong Huarong claims that the Department erred by triple counting the cost of transporting coal for certain suppliers; (2) SMC claims that the Department erred in including brokerage, handling and ocean freight charges on an FOB Qingdao sale; and (3) TMC claims that the Department made a data entry error on certain inland freight distances.

The petitioner requests that the Department reject these corrections as they constitute new factual information.

DOC Position: We do not agree that any of these issues constitutes new information. We have reviewed the margin programs and determined that we inadvertently made data entry errors with regard to the first two items above, and have made the appropriate corrections for these final results. However, with regard to the third item, we do not agree that we incorrectly entered certain freight distances for TMC because we simply used the distances TMC reported for the transactions in question in our calculations. Further, we determined that there is nothing on the record to indicate that those distances were inaccurately reported.

Comment 19: SMC's Own Data Entry Errors

SMC purports to have discovered several inadvertent data entry errors on its part with regard to net weight, inland freight distance and gross unit prices for seven observations. SMC requests that the Department accept these data corrections now for incorporation into the final results of reviews.

The petitioner requests that the Department reject these corrections as they constitute new factual information.

DOC Position: The Department will accept corrections of clerical errors made in a party's submission under the following conditions: (1) The error in question must be demonstrated to be a clerical error, not a methodological error, an error in judgment, or a substantive error; (2) the Department must be satisfied that the corrective documentation provided in support of the clerical error allegation is reliable; (3) the respondent must have availed itself of the earliest reasonable opportunity to correct the error; (4) the clerical error allegation, and any corrective documentation, must be submitted to the Department no later than the due date for the respondent's administrative case brief; (5) the clerical error must not entail a substantial revision of the response; and (6) the respondent's corrective documentation must not contradict information previously determined to be accurate at verification. *See Certain Fresh Cut Flowers From Colombia; Final Results of Antidumping Duty Administrative Reviews,* 61 FR 42833, 42834 (August 19, 1996) (modifying Department policy in response to *NTN Bearing Corp. v. United States,* 74 F. 3d 1204 (Fed. Cir. 1995)).

While we note that SMC alleges a clerical, rather than a substantive error, we are not satisfied that the information provided by SMC is reliable. In its case brief, SMC merely noted various errors contained in it submissions without supplementing the allegation with corroborating or substantiating documentation. We do not agree with SMC's claim that the nature of the error is ''obvious on its face'' since SMC has provided no documentation for the record which would support that contention. Therefore, we are denying SMC's request that we revise alleged data entry errors.

Other Ministerial Errors

We have also corrected an inadvertent error in calculating net U.S. price regarding Shandong Huarong for the preliminary results. We have corrected this error by deducting the foreign inland freight expense from U.S. price for these final results.

Final Results of Review

As a result of our review, we have determined that the following margins exist:

Manufacturer/exporter	Time period	Margin (percent)
Shandong Huarong General Group Corporation:		
Bars/Wedges	2/1/96–1/31/97	34.00
Liaoning Machinery Import & Export Corporation (LMC):		
Bars/Wedges	2/1/96–1/31/97	2.94
Fujian Machinery Import & Export Corporation (FMEC):		
Axes/Adzes	2/1/96–1/31/97	5.11
Hammers/Sledges	2/1/96–1/31/97	5.71
Shandong Machinery Import & Export Corporation (SMC):		
Bars/Wedges	2/1/96–1/31/97	38.30
Hammers/Sledges	2/1/96–1/31/97	19.31
Picks/Mattocks	2/1/96–1/31/97	32.38
Tianjin Machinery Import & Export Corporation (TMC):		
Axes/Adzes	2/1/96–1/31/97	1.96
Hammers/Sledges	2/1/96–1/31/97	27.60

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between United States price and normal value may vary from the percentages stated above. The Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of reviews for all shipments of HFHTs from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results, as provided for by section 751(a)(1) of the Act: (1) The cash deposit

rates for the reviewed companies named above, all of which have separate rates, will be the rates for those firms as stated above for the classes or kinds of merchandise listed above; (2) for axes/adzes from SMC, which are not covered by these reviews, the cash deposit rate will be the rate established in the most recent review of that class or kind of merchandise in which SMC received a separate rate; (3) for bars/wedges and picks/mattocks from TMC and FMEC, which are not covered by these reviews, the cash deposit rate will be the rate established in the most recent review of those classes or kinds of merchandise in which these respondents received a separate rate; and (4) the cash deposit rates for non-PRC exporters of the subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. For all other PRC producers or exporters of HFHTs not covered by these review proceedings, the PRC-wide rates are 44.41 percent for hammers/sledges, 66.32 percent for bars/wedges, 108.2 percent for picks/mattocks and 21.93 percent for axes/adzes.

This notice serves as a final reminder to importers of their responsibility under section 353.26 of the Department's regulations to file a certificate regarding 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 notice also serves as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with section 353.34(d) of the Department's regulations. Timely 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 determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: March 27, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–8846 Filed 4–3–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 031098F]

New England Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of revision of a public meeting.

SUMMARY: The New England Fishery Management Council (Council) has rescheduled the public meeting of its Monkfish Oversight Committee and Advisory Panel that was scheduled for Tuesday, April 14, 1998. The meeting was announced in the **Federal Register** on March 17, 1998. See **SUPPLEMENTARY INFORMATION** for revisions.

DATES: The meeting will be held on April 13–14, 1998.

ADDRESSES: The meeting will be held at the Airport Holiday Inn, 225 McClellan Highway, East Boston, MA 02128; telephone: (617) 569–5250.

Council address: New England Fishery Management Council, 5 Broadway, Saugus, MA 01906–1097.

FOR FURTHER INFORMATION CONTACT: Paul J. Howard, Executive Director, New England Fishery Management Council; telephone: (781) 231–0422.

SUPPLEMENTARY INFORMATION: The initial notice published on March 17, 1998 (63 FR 13034). The original notice stated that the meeting was to held on April 14, 1998, only. The meeting is rescheduled for April 13 and April 14, 1998. Agenda is as follows:

Monday, April 13, 1998, 9:30 a.m.—Monkfish Advisory Panel

Evaluate and recommend modifications to the draft final management measures for the Monkfish Fishery Management Plan (FMP).

Monday, April 13, 1998, 9:30 a.m. and Tuesday, April 14, 1998, 8:30 a.m.—Monkfish Oversight Committee

Approval of final management measures to be included in the Monkfish FMP, for New England and Mid-Atlantic Council consideration. On April 13, 1998, the agenda will include time for public comments on the proposed final management measures.

Although other issues not contained in this agenda may come before these groups for discussion, in accordance with the Magnuson-Stevens Fishery Conservation and Management Act, those issues may not be the subject of formal action during these meetings. Action will be restricted to those issues specifically identified in the agenda listed in this notice.

Special Accommodations

These meetings are physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Paul J. Howard (see **FOR FURTHER INFORMATION CONTACT**) at least 5 days prior to the meeting date.

Dated: March 30, 1998.

Gary C. Matlock,

Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 98–8844 Filed 3–31–98; 3:12 pm]

BILLING CODE 3510–22–F

COMMODITY FUTURES TRADING COMMISSION

Applications of the New York Mercantile Exchange for Designation as a Contract Market in Central Appalachian Coal Futures and Options, Submitted Under 45-Day Fast Track Procedures

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of availability of proposed terms and conditions for applications for contract market designation.

SUMMARY: The New York Mercantile Exchange (NYMEX or Exchange) has applied for designation as a contract market in Central Appalachian coal futures and option contracts. The proposals were submitted under the Commission's 45-day Fast Track procedures. The Director of the Division of Economic Analysis (Division) of the Commission, acting pursuant to the authority delegated by Commission Regulation 140.96, has determined that publication of the proposals for comment is in the public interest, will assist the Commission in considering the views of interested persons, and is consistent with the purpose of the Commodity Exchange Act.

DATES: Comments must be received on or before April 21, 1998.

ADDRESSES: Interested persons should submit their views and comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581. In addition, comments may be sent by facsimile transmission to facsimile number (202) 418–5521, or by electronic mail to secretary@cftc.gov. Reference should be made to NYMEX Central Appalachian coal futures and option contracts.