the period December 1, 1996 through November 30, 1997. This review has now been rescinded at the request of the respondent.

EFFECTIVE DATE: April 9, 1998.

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

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations as set forth at 19 CFR § 353.1, *et seq.*, as amended by the interim regulations published in the **Federal Register** on May 11, 1995 (60 FR 25130).

Background

Pursuant to 19 CFR § 351.213(d) of the Department of Commerce's (the Department) regulations, on December 24, 1997, the respondent in this case, Clover Enamelware Enterprise Ltd., a manufacturer/exporter, and its third-country reseller, Lucky Enamelware Factory Limited (together, the respondent), requested that the Department conduct an administrative review of the antidumping duty order on porcelain-on-steel cooking ware from the People's Republic of China, published in the **Federal Register** on December 2, 1986 (51 FR 43414). On January 26, 1998, the Department published in the **Federal Register** (63 FR 3702) its notice of initiation of the antidumping review of the antidumping duty order on porcelain-on-steel cooking ware from the People's Republic of China, covering the period December 1, 1996 through November 30, 1997.

Rescission of Review

On February 27, 1998, the respondent withdrew its request for administrative review. Section 351.213(d)(1) of the Department's regulations provides that ''[t]he Secretary will rescind an administrative review under this section, in whole or in part, if a party that requested a review withdraws the request within 90 days of the date of publication of notice of initiation of the requested review.'' See 19 CFR § 351.213(d)(1) (1997). Because the only party which requested a review has withdrawn its request within the regulatory time limit, we are now rescinding this review. The cash deposit rate will continue to be the rate established in the most recently completed segment of this proceeding.

This notice is published in accordance with sections 751 and 777(i) of the Tariff Act of 1930, as amended (19 U.S.C. § 1675 (1995); (19 U.S.C. § 1677f(i) (1995) and 19 CFR § 351.213(d)(4)).

Dated: April 3, 1998.

Maria Harris Tildon,

Acting Deputy Assistant Secretary, Group II, Import Administration.

[FR Doc. 98–9437 Filed 4–8–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–825]

Sebacic Acid From the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results of antidumping duty administrative review of sebacic acid from the People's Republic of China.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on sebacic acid from the People's Republic of China (PRC) in response to requests from the petitioner, Union Camp Corporation, and four respondents: Tianjin Chemicals Import and Export Corporation (Tianjin), Guangdong Chemicals Import and Export Corporation (Guangdong), Sinochem International Chemicals Company, Ltd. (SICC) and Sinochem Jiangsu Import and Export Corporation (Jiangsu). This review covers four exporters of the subject merchandise. The period of review (POR) is July 1, 1996, through June 30, 1997.

We have preliminarily determined that sales have been made below normal value (NV) during this period. If these preliminary results are adopted in the final results of this administrative review, we will instruct the U.S. Customs Service to assess antidumping duties based on the difference between the United States price (USP) and NV. These assessment rates, if adopted for the final results of the review, will be calculated on an importer-specific *ad valorem* duty basis. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: April 9, 1998.

FOR FURTHER INFORMATION CONTACT: Brandon Farlander or Stephen Jacques, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–0182 or (202) 482–1391.

APPLICABLE STATUTE AND REGULATIONS: Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Rounds Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are in reference to the regulations, codified at 19 CFR part 351, published on May 19, 1997.

SUPPLEMENTARY INFORMATION:

Background

The Department published in the **Federal Register** an antidumping duty order on sebacic acid from the PRC on July 14, 1995 (59 FR 35909). On July 21, 1997, the Department published in the **Federal Register** (62 FR 38973) a notice of opportunity to request an administrative review of the antidumping duty order on sebacic acid from the PRC covering the period July 1, 1996, through June 30, 1997.

On July 30, 1997, in accordance with 19 CFR 351.213(b), Union Camp requested that we conduct an administrative review of Tianjin, Guangdong, SICC, and Jiangsu. On July 29, 1997, Tianjin, Guangdong and SICC requested that we conduct an administrative review. Also on July 29, 1997, Tianjin has requested partial revocation of the antidumping duty order on sebacic acid from the PRC. However, because we have preliminarily determined a margin of 3.53 percent for Tianjin, which is above the Department's *de minimis* standard of 0.5 percent, we preliminarily determine that Tianjin has not met the requirements for revocation. We published a notice of initiation of this antidumping duty administrative review on August 28, 1997 (62 FR 45621). On August 30, 1997, we issued questionnaires to the four respondents. Jiangsu did not respond to the Department's questionnaire. The Department is conducting this

administrative review in accordance with section 751 of the Act.

Scope of Review

The products covered by this order are all grades of sebacic acid, a dicarboxylic acid with the formula (CH2)8(COOH)2, which include but are not limited to CP Grade (500ppm maximum ash, 25 maximum APHA color), Purified Grade (1000ppm maximum ash, 50 maximum APHA color), and Nylon Grade (500ppm maximum ash, 70 maximum ICV color). The principal difference between the grades is the quantity of ash and color. Sebacic acid contains a minimum of 85 percent dibasic acids of which the predominant species is the C10 dibasic acid. Sebacic acid is sold generally as a free-flowing powder/flake.

Sebacic acid has numerous industrial uses, including the production of nylon 6/10 (a polymer used for paintbrush and toothbrush bristles and paper machine felts), plasticizers, esters, automotive coolants, polyamides, polyester castings and films, inks and adhesives, lubricants, and polyurethane castings and coatings.

Sebacic acid is currently classifiable under subheading 2917.13.00.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding remains dispositive.

This review covers the period July 1, 1996, through June 30, 1997, and four exporters of Chinese sebacic acid.

Verification

We conducted verification of the sales and factor information provided by respondent Tianjin located in Tianjin, PRC and one of its producers, Hengshui Dongfeng Chemical Plant (Hengshui), located in Hengshui, PRC. We conducted the verifications using standard verification procedures, including onsite inspection of the manufacturer's facilities, the examination of relevant sales and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the public versions of the verification reports.

Separate Rates

1. Background and Summary of Findings

It is the Department's standard policy to assign all exporters of the merchandise subject to review in non-market-economy countries a single rate, unless an exporter can demonstrate an absence of government control, both in law and in fact, with respect to exports. To establish whether an exporter is sufficiently independent of government control to be entitled to a separate rate, the Department analyzes the exporter in light of the criteria 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 in 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*''). 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 an 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. Evidence relevant to a *de facto* absence of government control with respect to exports is based on four factors, whether the respondent: (1) sets its own export prices independent from the government and other exporters; (2) can retain the proceeds from its export sales; (3) has the authority to negotiate and sign contracts; and (4) has autonomy from the government regarding the selection of management. See *Silicon Carbide* at 22587; *See* also *Sparklers* at 20589.

In our final determination of sales at less than fair value for the POR covering July 1, 1995 through June 30, 1996, the Department determined that there was *de jure* and *de facto* absence of government control of each company's export activities and determined that each company warranted a company-specific dumping margin. *See Final Results of Antidumping Administrative Review: Sebacic Acid From the People's Republic of China* (62 FR 65674, December 15, 1997) (''*Sebacic Acid*''). For this period of review, SICC , Tianjin and Guangdong have responded to the Department's request for information regarding separate rates. We have found that the evidence on the record is consistent with the final determination in the previous administrative review and continues to demonstrate an absence of government control, both in law and in fact, with respect to their exports, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*. During verification of Tianjin, we examined its business and financial statements. We found no evidence of government control of Tianjin's export activities.

2. Separate Rate Determination for Non-Responsive Company

For Jiangsu, which did not respond to the questionnaire, we preliminarily determine that this company does not merit a separate rate. Because the Department assigns a single rate to companies in a non-market economy unless an exporter can demonstrate absence of government control, we preliminarily determine that Jiangsu is subject to the country-wide rate for this case.

United States Price

For SICC, Tianjin and Guangdong, the Department based USP on export price (EP), in accordance with section 772(a) of the Act. We made deductions from EP, where appropriate, for foreign inland freight, ocean freight, brokerage and handling, and marine insurance. *See* ''Factor Valuation'' section of this notice. We selected India as the surrogate country for the reasons explained in the ''Normal Value'' section of this notice.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the normal value (NV) using a factors-of-production methodology if: (1) the merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act.

The Department has treated the PRC as an NME country in all previous antidumping cases. Furthermore, available information does not permit the calculation of NV using home market prices, third country prices, or CV under section 773(a) of the Act. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. None of the parties to this proceeding has contested such treatment in this review. Therefore, we treated the PRC as an NME country for purposes of this review and calculated NV by valuing the factors of production in a comparable market economy country which is a significant producer of comparable merchandise. Factors of production include, but are not limited to: (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital cost, including depreciation.

Section 773(c)(4) of the Act and section 351.408 of the Department's regulations direct us to select a surrogate country that is economically comparable to the PRC. On the basis of per capita gross domestic product (GDP), the growth rate in per capita GDP, and the national distribution of labor, we find that India is a comparable economy to the PRC (*See* Memorandum from Director, Office of Policy, to Office Director, AD/CVD Group III, Office 9, dated February 5, 1998).

The statute (section 773(c)(4) of the Act and section 351.408 of the Department's regulations) also requires that, to the extent possible, the Department use a surrogate country that is a significant producer of merchandise comparable to sebacic acid. The countries that we confirmed to be producers of sebacic acid, such as Japan and the United States, do not have economies comparable to the PRC. We found that information contained in respondent's December 4, 1997 submission indicates that India was a producer of sebacic acid during the POR. Although we do not have information about the quantity of sebacic acid produced in India, we reviewed a fax from an Indian sebacic acid producer with a price quote to a U.S. importer. Moreover, in the last administrative review of this order, we determined that India is a significant producer of comparable merchandise (e.g., oxalic acid) during the POR. (*See* the Analysis Memorandum for the Preliminary Results of the 1996/1997 Review for sebacic acid, page 2) Therefore, we find that India fulfills both requirements of the statute.

For purposes of calculating NV, we valued PRC factors of production, in accordance with section 773(c)(1) of the Act. In examining surrogate values, we selected, where possible, the publicly available value which was: (1) an average non-export value; (2) representative of a range of prices within the POR or most contemporaneous with the POR; (3) product-specific; and (4) tax-exclusive. For those values not contemporaneous with the POR, we adjusted for inflation using the wholesale price indices published in the IMF's *International Financial Statistics.* When necessary, we adjusted the values reported in the *Chemical Weekly* to exclude sales and excise taxes. In accordance with our practice, we added to CIF import values from India a surrogate freight cost using the shorter of the reported distances from either the closest PRC port to the factory, or from the domestic supplier to the factory. *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 61977, November 20, 1997) In accordance with this methodology, we valued the factors of production as follows:

For castor oil, the Department did not use the surrogate values for castor oil submitted by petitioners in their December 4, 1997 submission because there was no source documentation. We did not use respondent's data because we could not determine whether they were contemporaneous with the POR. Therefore, we have valued this material using price data reported in *The Economic Times* (Bombay), adjusted for inflation, for Hyderabad, Kanpur, Calcutta, and Delhi during the months of June 1995 through December 1995. The Department adjusted these values to account for freight costs between the supplier and the respondents' sebacic acid manufacturing facilities.

For castor seed, the Department did not use the surrogate values for castor oil submitted by petitioners in their December 4, 1997 submission because there was no source documentation. We did not use respondent's data as we could not determine whether they were the contemporaneous with the POR. Therefore, we have valued this material using price data reported in *The Economic Times* (Bombay), adjusted for inflation, for Hyderabad and Kanpur during the months of June 1995 through December 1995. The Department adjusted these values to account for freight costs between the supplier and the respondents' sebacic acid manufacturing facilities.

For caustic soda, the Department used a value reported in the publication *Chemical Weekly* (published in India), using a value published in July 1997 (with a June 1997 price value) submitted by respondents. Because price quotes for caustic soda reported by *Chemical Weekly* are for chemicals with a 100% concentration level of caustic soda, we made chemical purity adjustments according to the particular concentration level of caustic soda used by respondents. We adjusted this value to exclude taxes and to include freight expenses incurred from the suppliers to the respondents' sebacic acid manufacturing facilities.

For macropore resin, we are using the value for activated carbon because the valuations are interchangeable, according to an April 1997 Memorandum from Richard Moreland, Acting Deputy Assistant Secretary, Import Administration to all reviewers. For activated carbon, we are using a value from *Chemical Weekly* from December 1996 submitted by respondent. The Department adjusted this value to account for freight costs between the supplier and the respondents' sebacic acid manufacturing facilities.

For cresol, we are using respondents December 4, 1997 submission of data for price quotes for meta cresol, ortho cresol, and para cresol from *Chemical Weekly* from January 1997. We followed the same methodology to calculate a value for cresol that we used in the previous administrative review. Before calculating the cresol value, we adjusted the para cresol value to exclude sales and excise taxes but we did not have to adjust the meta cresol or ortho cresol values to exclude sales and excise taxes. We adjusted the value to include freight expenses incurred from the suppliers to the respondents' sebacic acid manufacturing facilities.

In Hengshui's questionnaire response to the Department, it submitted a usage factor for activated carbon. However, in pre-verification corrections, Hengshui stated it no longer uses activated carbon to produce sebacic acid, so we did not use activated carbon as an input.

For sodium chloride (also referred to as sodium chlorite or vacuum salt), we are using a published market price reported in *Chemical Weekly* from January 1997 submitted by respondents. We adjusted this value to exclude taxes and to include freight expenses incurred from the suppliers to the respondents' sebacic acid manufacturing facilities.

For phenol, we are using a published market price reported in *Chemical Weekly* from January 1997 submitted by respondents. We adjusted this value to exclude taxes and to include freight expenses incurred from the suppliers to the respondents' sebacic acid manufacturing facilities.

For zinc oxide, we are using a published market price reported in *Chemical Weekly* from January 1997 submitted by respondents. We adjusted this value to exclude taxes and to include freight expenses incurred from the suppliers to the respondents' sebacic acid manufacturing facilities.

For sulphuric acid, we are using a published market price reported in *Chemical Weekly* from January 1997 submitted by respondents. Because price quotes for sulphuric acid reported by *Chemical Weekly* are for chemicals with a 100% concentration level of sulphuric acid, we made chemical purity adjustments according to the particular concentration level of sulphuric acid used by respondents. We adjusted this value to exclude taxes and to include freight expenses incurred from the suppliers to the respondents' sebacic acid manufacturing facilities.

For labor, we used the PRC regression-based wage rate at Import Administration's homepage, Import Library, Expected Wages of Selected NME Countries, revised on June 2, 1997. Because of the variability of wage rates in countries with similar per capita GDPs, section 351.408(c)(3) of the Department's new AD regulations (62 FR 27296, May 19, 1997) requires the use of a regression-based wage rate. The source of this wage rate data on the Import Administration's homepage is found in the *1996 Year Book of Labour Statistics*, International Labour Office (''ILO''), (Geneva: 1996), Chapter 5B: Wages in Manufacturing. The years of the reported wage rates range from 1990 to 1995.

At verification, we discovered that Hengshui underreported unskilled labor employees because Hengshui was not able to substantiate its verbal claim, with source documentation, that additional unskilled labor employees were not involved in producing sebacic acid. At verification, we reviewed the employee salary ledger and the labor worksheet for the sebacic acid production unit and determined that the additional unskilled labor employees on the employee salary list for the sebacic acid production unit were involved in producing sebacic acid. Therefore, we increased the number of unskilled direct labor hours used to make sebacic acid to the reported labor usage factors. As this subject involves proprietary information, please see the Analysis Memorandum for the Preliminary Results of the 1996/1997 Review for sebacic acid for a more complete discussion of this issue.

For factory overhead, we used information obtained from the April 1995 *Reserve Bank of India Bulletin*. From ''Statement 1—Combined Income, Value of Production, Expenditure and Appropriation Accounts, Industry Group-wise'' of that report for the Indian metals and chemicals industries, we summed those components which pertain to overhead expenses and divided them by the sum of those components pertaining to the cost of manufacturing to calculate a factory overhead rate of 15.41 percent. We multiplied this factory overhead rate of 15.41 percent by the cost of manufacture divided by one minus the factory overhead rate of 15.41 percent.

For steam coal, we used prices published in *Monthly Statistics of the Foreign Trade of India, Volume II—Imports* for the period of April 1995 through January 1996, adjusted for inflation. We did not use the respondents' submitted OECD/IEA data for steam coal from 1990 because we had more recent data. Hengshui reported one aggregate category of coal in its questionnaire response. However, at verification, Hengshui presented corrections at the beginning of verification which split the single coal category into two sub-categories: soft and hard coal. We verified that Hengshui's use of two types of coal were correctly presented to the Department at verification. Consequently, for Hengshui, we have used the value for soft coal from the *Gazette of India*, June 1994, adjusted for inflation. However, we were unable to obtain publicly available information for hard coal. Therefore, for Hengshui's hard coal, we are using the steam coal value from the *Monthly Statistics of Foreign Trade of India, Volume II—Imports* for the period of April 1995 through January 1996, adjusted for inflation. For all three types of coal used (hard, soft, and steam), we adjusted the values to include freight expenses incurred from the suppliers to the respondents' sebacic acid manufacturing facilities.

For electricity, the respondents submitted electricity data from 1990, which was not used because we had more recent data. We used information obtained from the *Current Energy Scene in India* for July 1995 and adjusted this value for inflation. At verification, we discovered that Hengshui did not report the electricity used to process crude glycerine, a by-product, into refined glycerine. We added the amount of electricity used to process crude glycerine into refined glycerine to the electricity usage factor reported to the Department in Hengshui's questionnaire response. At verification, we also could not substantiate, with source documentation, the amount deducted for an electric sub-meter. Therefore, we did not allow the deduction of the amount of electricity recorded at the sub-meter from the total amount of electricity used to produce sebacic acid. As this subject involves proprietary information, please see the Analysis Memorandum for the Preliminary Results of the 1996/1997 Review for sebacic acid for a more complete discussion of this issue.

For the value of export packing (plastic bags and woven bags), the Department used the value of imports into India during April 1995 through February 1996, as reported in the *Monthly Statistics of Foreign Trade of India*, Volume II, and adjusted these values for inflation. We did not use values from respondents because there was no supporting documentation. Also, we adjusted this value to account for freight expenses.

For foreign inland freight, the Department relied upon the trucking freight rates reported in *The Times of India*, April 20, 1994, which source was also applied to *Polyvinyl Alcohol* (60 FR 52647, October 10, 1995), and the value was adjusted for inflation. The rail freight rates used, which were adjusted for inflation, were reported to the Department in a December 1989 embassy cable for the final results of the antidumping administrative review for *Shop Towels of Cotton from the PRC* (56 FR 60969).

For ocean freight, we used the surrogate value used in the last administrative review. This value, provided by the Federal Maritime Commission on January 24, 1997, includes delivery destination charges and fuel adjustment charges and was not adjusted because the value was within the POR. For Tianjin, we used actual market economy shipping costs as reported by respondents where applicable.

To calculate the expense for marine insurance, we used information from a publicly summarized version of the questionnaire response for the investigation of sales of less than fair value of *Sulphur Vat Dyes from India* (62 FR 42758). The marine insurance rate reported in the public version of the October 8, 1992 response was adjusted for inflation to reflect marine insurance charges during the POR.

For foreign brokerage and handling charges, we used information from publicly available data for foreign brokerage and handling reported for the investigation for *Sulphur Vat Dyes*, (62 FR 42758) adjusted for inflation.

Consistent with the methodology employed in the previous administrative review for sebacic acid, we have determined that fatty acid, glycerine, and castor seed cake (when castor oil is self-produced) are by-products. Therefore, as by-products, we subtracted the sales revenue of fatty acid, glycerine, and, where applicable, castor seed cake, from the estimated production costs of sebacic acid. This treatment of by-products is also consistent with generally accepted accounting principles. (*See Cost Accounting: A Managerial Emphasis* (1991) at pages 539–544).

To value fatty acid, we used publicly available published information from the *Monthly Statistics of the Foreign Trade of India* (Monthly Statistics) for the period April 1995 through February 1996 and adjusted this data for inflation.

To value glycerine, we used the average price for glycerine (IW and CP) in the publication *Chemical Weekly* from January 1997 from the

respondents. We adjusted these values to include freight expenses incurred from the suppliers to the respondents' sebacic acid manufacturing facilities.

We also allocated a by-product credit for glycerine to the production cost for the co-product capryl alcohol. We deducted a by-product credit for glycerine from both sebacic acid and capryl alcohol based on the ratio of the value of sebacic acid to the total value of both sebacic acid and capryl alcohol.

Consistent with the methodology employed in the previous administrative review, we have determined that capryl alcohol is a co-product. Therefore, we have allocated the factor inputs, based on the relative quantity of output of this product and sebacic acid. Additionally, we have used the production times necessary to complete each production stage of sebacic acid as a basis for allocating the amount of labor, energy usage, and factory overhead among the co-product(s). This treatment of co-products is consistent with generally accepted accounting principles. (*See Cost Accounting: A Managerial Emphasis* (1991) at pages 528–533).

To value capryl alcohol, we used publicly available published information for octanol from *Chemical Weekly* from June 1997 and adjusted the price for sales and excise taxes. We used the *Chemical Weekly* octanol value from June 1997. Also, respondents submitted value data from the *Chemical Marketing Reporter* (U.S.). Octanol is used as the surrogate value for capryl alcohol because, in a letter submitted by respondents in attachment four of their December 4, 1997 submission concerning surrogate values, the editor of *Chemical Weekly* states that the reference to octanol in the journal refers to the more common 2-octanol (2-ethylhexanol). We adjusted these values to exclude taxes and to include freight expenses incurred from the suppliers to the respondents' sebacic acid manufacturing facilities.

To value castor seed cake, we used the value for castor seed from *The Economic Times* (Bombay) submitted by respondents, and adjusted this value for inflation.

For selling, general, and administrative (SG&A) expenses, we used information from the same source we used for factory overhead. We summed the values which comprised the components of SG&A and divided that figure by the same cost of manufacturing figure used to determine factory overhead, to arrive at an SG&A rate of 21.67 percent. We multiplied this SG&A rate of 21.67 percent by the total cost of manufacture, which includes factory overhead.

For the calculation of profit, we used information from the April 1995 *Reserve Bank of India Bulletin*. We divided the reported before-tax profit for the ''processing and manufacture: metals, chemicals, and products thereof'' category by the sum of those components pertaining to the cost of manufacturing plus SG&A to calculate a profit rate of 5.24 percent. We multiplied this profit rate of 5.24 percent by the sum of the total cost of manufacture and SG&A.

Preliminary Results of Review

For Jiangsu, which failed to respond to the Department's questionnaire, we have not granted a separate rate and the country-wide rate will apply to all sales.

We preliminarily determine that the following dumping margins exist:

Manufacturer/exporter	Time period	Margin (percent)
Sinochem Jiangsu I/E Corp	7/01/96–6/30/97	243.40%
Tianjin Chemicals I/E Corp	7/01/96–6/30/97	3.53
Sinochem International Chemicals Corp	7/01/96–6/30/97	0.35
Guangdong Chemicals I/E Corp	7/01/96–6/30/97	16.35
Country-Wide Rate	7/01/96–6/30/97	243.40

Parties to the proceeding may request disclosure within 5 days of the date of publication of this notice. Any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 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. Rebuttal comments (rebuttal briefs), which must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will publish a notice of final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results.

Upon issuance of the final results of review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all entries. We will calculate an importer-specific ad valorem duty assessment rate for each class or kind of merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales made during the POR to the total customs value of the sales used to calculate those duties. This rate will be assessed uniformly on all entries of that particular importer made during the POR. (This is equivalent to dividing the total amount of antidumping duties, which are calculated by taking the difference between statutory NV and statutory EP, by the total statutory EP value of the sales compared, and adjusting the result by the average difference between EP and customs value for all merchandise examined during the POR.)

Furthermore, the following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) for the reviewed companies named above which have separate rates (SICC, Tianjin, and Guangdong), the cash deposit rates will be the rates for those firms established in the final results of this administrative review; (2) for companies previously found to be entitled to a separate rate and for which no review was requested, the cash deposit rates will be the rate established in the most recent review of that company; (3) for all other PRC exporters of subject merchandise, the cash deposit rates will be the PRC country-wide rate indicated above; and (4) the cash deposit rate for non-PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. These deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification of Interested Parties

This notice also 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 notice also serves as 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 determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: April 2, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98–9436 Filed 4–8–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–475–819]

Certain Pasta From Italy: Preliminary Results of the First Countervailing Duty Administrative Review

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

ACTION: Notice of Preliminary Results of Countervailing Duty Administrative Review.

SUMMARY: The Department of Commerce is conducting an administrative review of the countervailing duty order on certain pasta from Italy for the period October 17, 1995 through December 31, 1996. For information on the net subsidy for each reviewed company, as well as for all non-reviewed companies, see the *Preliminary Results of Review* section of this notice. If the final results remain the same as these preliminary results, we will instruct the U.S. Customs Service to assess countervailing duties as detailed in the *Preliminary Results of Review*. Interested parties are invited to comment on these preliminary results. (*See, Public Comment* section of this notice.)

EFFECTIVE DATE: April 9, 1998.

FOR FURTHER INFORMATION CONTACT: Vincent Kane or Todd Hansen, AD/CVD Enforcement, Group I, Office 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–2815 or 482–1276, respectively.

Background

On July 24, 1996, the Department of Commerce (the Department) published in the **Federal Register** (61 FR 38544) the countervailing duty order on pasta from Italy.

In accordance with 19 CFR 351.213(b), this review of the order covers the producers or exporters of the subject merchandise for which a review was specifically requested. They are: Audisio Industrie Alimentari S.r.L (''Audisio''); the affiliated companies Delverde S.r.L., Tamma Industrie Alimentari, S.r.L., Sangralimenti S.r.L., and Pietro Rotunno, S.r.L. (''Delverde/Tamma''); La Molisana Industrie Alimentari S.p.A. (''La Molisana''); and Petrini S.p.A. (''Petrini''). Also, this review covers 24 programs.

Since the publication of the notice of initiation of this review in the **Federal Register** (62 FR 45621, August 28, 1997), the following events have occurred.

On September 29, 1997, we issued countervailing duty questionnaires to the Government of Italy (''GOI''), the Commission of the European Union (''EU''), and the above-named companies under review. On October 14, 1997, F.lli De Cecco di Filippo Fara S. Martino S.p.A., a company which had requested to be included in the review, withdrew its request. Similarly, on November 14, 1997, Industria Alimentari Colavita, S.p.A., another company which had requested to be included in the review, withdrew its request. We received responses to our questionnaires and issued additional questionnaires throughout the period of November 1997 through March 1998.

In January and February of 1998, we received comments from petitioners on the company and GOI responses. Among the comments was a request that the Department examine an energy savings grant received by Petrini pursuant to Law 308/82. In a supplementary questionnaire to Petrini, we requested further information on this grant. Subsequent to issuing this questionnaire, however, it became evident that the program in question had already been found not countervailable by the Department. *See, Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Italy*, 58 FR 37327 *(''Certain Steel from Italy'')*. Therefore, we have not included this grant in our review.

Scope of Review

The merchandise under review consists of certain non-egg dry pasta in packages of five pounds (or 2.27 kilograms) or less, whether or not enriched or fortified or containing milk or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastases, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by this scope is typically sold in the retail market, in fiberboard or cardboard cartons or polyethylene or polypropylene bags, of varying dimensions.

Excluded from the scope of this review are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white. Also excluded are imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by the Associazione Marchigiana Agricultura Biologica (''AMAB''), by Bioagricoop Scrl, or by QC&I International Services. Furthermore, multicolored pasta imported in kitchen display bottles of decorative glass, which are sealed with cork or paraffin and bound with raffia, is excluded from the scope of this review.

The merchandise under review is currently classifiable under item 1902.19.20 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this review is dispositive.

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (''URAA''), effective January 1, 1995 (''the Act''). The Department is conducting this administrative review in accordance with section 751(a) of the Act. All other references are to the Department's regulations at 19 CFR Part 351 et. seq. *Antidumping Duties; Countervailing*