

speakers to inform it on migratory labor and civil rights issues in West Virginia.

Persons desiring additional information, or planning a presentation to the Committee, should contact Committee Chairperson Gregory T. Hinton, 304-367-4244, or Ki-Taek Chun, Director of the Eastern Regional Office, 202-376-7533 (TDD 202-376-8116). Hearing-impaired persons who will attend the meeting and require the services of a sign language interpreter should contact the Regional Office at least five (5) working days before the scheduled date of the meeting.

The meeting will be conducted pursuant to the provisions of the rules and regulations of the Commission.

Dated at Washington, DC, March 27, 1996.
Carol-Lee Hurley,
Chief, Regional Programs Coordination Unit.
[FR Doc. 96-8207 Filed 4-3-96; 8:45 am]
BILLING CODE 6335-01-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-427-812]

Calcium Aluminate Flux from France; Antidumping Duty Administrative Review; Time Limits

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

ACTION: Notice of extension of time limits.

SUMMARY: The Department of Commerce (the Department) is extending the time limits of the preliminary and final results of the first antidumping duty administrative review of the antidumping duty order on calcium aluminate flux from France. The review covers one manufacturer/exporter of the subject merchandise to the United States and the period June 15, 1994 through May 31, 1995.

EFFECTIVE DATE: April 4, 1996.

FOR FURTHER INFORMATION CONTACT: Maureen McPhillips or John Kugelman, Office of Antidumping Compliance, Import Administration, International Trade Administration U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230, telephone: (202) 482-5253.

SUPPLEMENTARY INFORMATION: Because it is not practicable to complete this review within the time limits mandated by Section 751(a)(3)(A) of the Trade and Tariff Act of 1930, as amended by the Uruguay Round Agreements Act of 1994, the Department is extending the

time limits for completion of the preliminary results until July 29, 1996. We will issue the final results of this review by January 24, 1997.

These extensions are in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (19 U.S.C. 1675(a)(3)(A)).

Dated: March 5, 1996.
Joseph A. Spetrini,
Deputy Assistant Secretary for Import Administration.
[FR Doc. 96-8190 Filed 4-3-96; 8:45 am]
BILLING CODE 3510-DS-M

[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 Administrative Review

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

ACTION: Notice of Final Results of the Antidumping Duty Administrative Review of Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, from the People's Republic of China.

SUMMARY: On August 16, 1995, the Department of Commerce (the Department) published in the Federal Register the preliminary results of its administrative review 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) (60 FR 42516). This review covers the period February 1, 1993, through January 31, 1994. 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 review.

EFFECTIVE DATE: April 4, 1996.

FOR FURTHER INFORMATION CONTACT: Tom Prosser or Maureen Flannery, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482-4733.

Applicable Statute and Regulations

Unless otherwise stated, all citations to the statute and to the Department's regulations are references to the provisions as they existed on December 31, 1994.

SUPPLEMENTARY INFORMATION:

Background

On February 4, 1994, the Department published in the Federal Register (59 FR 5390) a notice of opportunity to request administrative reviews of these antidumping duty orders. On February 28, 1994, in accordance with 19 CFR 353.22(a), two resellers of the subject merchandise to the United States, Fujian Machinery & Equipment Import & Export Corporation (FMEC) and Shandong Machinery Import & Export Corporation (SMC), requested that we conduct administrative reviews of their exports of subject merchandise to the United States. We published the notice of initiation of these antidumping duty administrative reviews on March 14, 1994 (59 FR 11768). The notice of initiation was amended on June 15, 1994 (59 FR 30770) and July 15, 1994 (59 FR 36160).

On August 16, 1995, the Department published in the Federal Register the preliminary results of the administrative reviews of the antidumping duty order on HFHTs from the PRC (60 FR 42516). A timely request for a hearing was submitted by Woodings-Verona Tool Works, Inc. (petitioner). The hearing was conducted on October 2, 1995. The Department is conducting this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of Review

Imports covered by this review 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 and 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 woodsplitting 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. This review covers two exporters of HFHTs from the PRC, FMEC and SMC. The review period is February 1, 1993 through January 31, 1994.

Analysis of Comments Received

We gave interested parties an opportunity to comment on the preliminary results. We received case briefs and rebuttal briefs from petitioner and from both respondents.

Comment 1: Petitioner contests the Department's use of a trading company's reported purchase price for steel from a market-economy country to value steel used by the factories to make HFHTs. Petitioner asserts that this is inconsistent with past decisions, and argues that Department practice forbids the use of prices for inputs purchased by trading companies from a market economy to value factors of production when the trading company did not manufacture the subject merchandise, citing *Final Determination of Sales at Less Than Fair Value: Coumarin from the People's Republic of China*, 59 FR 66895 (December 28, 1994) (*Coumarin*) and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Partial-Extension Steel Drawer Slides with Rollers from the People's Republic of China*, 60 FR 54472 (October 24, 1995) (*Drawer Slides*) in support of its argument. Petitioner contends that these cases establish that only the price the producer negotiated directly with a market-economy supplier is acceptable to value the factors of production. Petitioner asserts that there is no record evidence on how much or in what currency the suppliers paid the trading companies.

Petitioner maintains that the Department's use of trading company purchase prices is inconsistent with respondents' claim that the producers are separate from the trading companies. Petitioner argues that in a market economy the trading company would receive a profit for its service in the form of a commission or mark-up on the steel price. Petitioner asserts that if the Department uses these prices, then it must increase them by the reasonable commission or markup that a market-economy importer would charge for its services.

Finally, petitioner argues that the Department cannot assume that the market-economy purchase price

adequately reflects the value of the factors of production because the respondents failed to demonstrate which of the subject products, if any, contained market-economy steel.

Respondents argue that, because both *Coumarin* and *Drawer Slides* determinations postdate this period of review, they are inapplicable to this case. Respondents assert that the Department's policy at the time of the review period was that enunciated in *Oscillating Fans and Ceiling Fans from the People's Republic of China*, 56 FR 55271, 55275 (October 25, 1991) (*Fans*), in which the Department stated that "[w]here we can determine that an NME [non-market economy] producer's input prices are market-determined, accuracy, fairness, and predictability are enhanced by using those prices."

Respondents claim that until *Coumarin*, the Department did not distinguish between who purchased an input and who produced merchandise with that input. Respondents claim that this qualification is without statutory or regulatory support and has not been judicially reviewed. Further, citing *Final Determination of Sales at Less Than Fair Value: Chrome Plated Lug Nuts from the People's Republic of China*, 56 FR 46153 (September 10, 1991) (*Lug Nuts*), respondents contend that the buyer/producer distinction runs counter to the Department's view that in NMEs, trading companies and factories are treated as one entity.

In response to petitioner's claim that respondents failed to identify which products were produced with imported steel, respondents claim that since the steel is fungible, no records were kept regarding the source of the steel used to make specific tools. Respondents claim that a record of steel purchases is maintained by the manufacturer and that a ratio of imports to domestically sourced steel was provided.

Department's Position: We agree with the petitioner. It is the Department's normal practice in NME cases to value the factors of production using surrogate country input prices. The Department normally allows for the valuation of inputs based on the actual purchase price of the input only when the NME manufacturer purchases the inputs from a market economy supplier and pays in a convertible currency. See, e.g., *Final Determination of Sales at Less Than Fair Value: Saccharin from the People's Republic of China*, 59 FR 58818 (November 15, 1994) (*Saccharin*), and *Fans*. In this case, the inputs were purchased from market-economy countries by a PRC trading company, which then transferred these inputs to the PRC manufacturer. Thus, the

manufacturer obtained the inputs from a PRC source. As noted by the petitioner, there is no information on the record indicating how much or in what currency the manufacturers paid the trading companies. Further, there is no information on the record indicating which models were produced with imported steel, and which models were not. As established in *Coumarin*, *Drawer Slides*, and *Notice of Final Determination of Sales at Less Than Fair Value: Disposable Pocket Lighters from the People's Republic of China (Lighters)*, 60 FR 22359 (May 5, 1995), it is the Department's practice to apply surrogate values to market economy inputs obtained from PRC trading companies. We disagree with respondents' claim that both *Coumarin* and *Drawer Slides* do not apply to this review because they postdate the period of review. Because those two determinations predate these final results, they are applicable.

In addition to the above, we note that there is no information on the record indicating whether the price reported by the trading company for the market economy-sourced steel is representative of the grades, prices, and quantities of steel purchased by the trading company during the period of review. Therefore, for these final results, we have used surrogate values to value all inputs used in the production of HFHTs.

Comment 2: Petitioner argues that the Department should use the Indian steel price quotation submitted by petitioner during the prior administrative review, or the 1993 Indian import value for steel bar, as the surrogate value for steel. Petitioner claims that the Indian price quotation is particularly appropriate as it represents a price for the grades, sizes, and shapes of steel used to produce HFHTs. Petitioner claims that there is precedent supporting the use of the price quotation to value the steel factor of production. Petitioner contends that in *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from the People's Republic of China*, 60 FR 22544, 22548 (May 8, 1995) (*Furfuryl Alcohol*), and *Coumarin*, the Department used privately obtained price quotations to value factors of production and to determine whether specific information was aberrant. Arguing that the price quotation at issue has the added advantage of falling roughly in the middle of the range of steel prices available to the Department, the petitioner suggests that the Department use the Indian price quotation, adjusted for inflation, as its steel value for 1992 and 1993. If the Department does not use the price quotation, then the petitioner argues

that the only viable option is to use the roughly equivalent 1993 Indian steel bar import value.

Petitioner argues that the record does not support the Department's alternative of using the lower 1992 unit value for Indian steel bar imports. Citing the Department's August 8, 1995 factor values memorandum, the petitioner contends that the logic behind rejecting the 1993 value is circular, and that one could use the same logic to reject the 1992 value. Petitioner adds that it believes the 1992 value is the aberrational value.

Respondents argue that the prices proposed by the petitioner are not consistent with other prices, particularly those submitted in the *Drawer Slides* case. Respondents argue that petitioner's prices do not reflect the prices paid for steel used for exports.

Department's Position: We disagree with the petitioner. The use of import statistics as surrogate values is both reasonable and conforms to established Department practice. See, e.g., *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*, 60 FR 49251 (September 22, 1995). In addition, the price quotation to which petitioner refers was submitted for the record of the February 1, 1992 through January 31, 1993 administrative review and is not on the record of this review.

We also disagree with petitioner's claim that the only viable alternative to the price quotes is to use the 1993 Indian steel bar import value. As explained in our August 8, 1995 factor values memorandum, the total quantity of steel imported into India in 1992 and 1993 under HTS category 7214.50 ("Forged Bars and Rods Containing 0.25% or Greater But Less Than 6% of Carbon") was small. Therefore, the Department compared the 1992 and the 1993 unit values to other contemporaneous steel prices to determine whether the Indian import values were aberrational. The 1992 value was found to be comparable to 1992 U.S. and Indonesian import values. The 1993 value was not comparable to the 1993 U.S. value, and because the 1993 Indonesian value was not available, we compared the 1993 Indian value with the 1992 Indian value and found a substantial difference. Therefore, we concluded that the 1993 Indian value was aberrational and used the 1992 Indian value, adjusted for inflation, to value steel for 1993.

Finally, there is no record support for petitioner's claim that the 1992 Indian steel import value is aberrational. We

note that these same 1992 Indian steel import values were used in the prior review, and petitioner supported their use.

Comment 3: The petitioner argues that the Department erred in using the imported value of a finished pallet to value pallets built by the factories under review. Petitioner argues that this represents a change from that used in the less-than-fair-value (LTFV) investigation and the previous administrative review. Petitioner further argues that it was not given fair notice of the intended change, thereby depriving it of its opportunity to participate in this proceeding because the deadline for submission of new information had passed. Petitioner asserts this denied it the opportunity to submit evidence that the existing methodology did not produce aberrations. Petitioner claims that the Department exacerbated this problem by providing no explanation of its decision to deviate from past practice. Petitioner argues that this effectively obstructs effective rebuttal of Departmental action. Petitioner cites several Court of International Trade decisions, claiming the Court held that the Department should provide due notice of methodological changes as well as the opportunity to comment thereon. Petitioner also contends that an administrative agency cannot depart from established methodology without an explanation for doing so, and it argues that the Department failed to provide such an explanation. Petitioner cites *Hussey Copper Ltd. v. United States*, 834 F. Supp. 413, 418-419 (CIT 1993), and *Krupp Stahl v. United States*, 822 F. Supp. 789, 795 (CIT 1993) in support of this contention.

Finally, petitioner asserts that the methodological change violates the statute. Citing *Furfuryl Alcohol and Coumarin*, petitioner contends that the statute requires the Department to value each input at the point at which it enters the producer's production process. Petitioner contends that the Department may not shift its search for factor values to the level of finished or intermediate material, but claims that this is exactly what the Department did when it used the import value of completed pallets to represent the wood, nail, and packing labor costs borne by the producers. Petitioner asserts that the Department should base its packing cost calculation on the inputs actually used by the respondents.

Respondents argue that the preliminary notice was adequate notification of the Department's methodological change. Respondents also argue that petitioner was afforded

an opportunity to comment and that petitioner exercised its opportunity.

Respondents disagree with petitioner's assertion that the Department's pallet valuation methodology is contrary to the statute. Respondent argues that nothing in the legislative history, the statute or the Department's regulations instructs the Department to undertake a constructed value for packing materials. Citing 19 U.S.C. Sec. 1677b(c)(1), respondents argue that the Department is required to determine a foreign market value based on factors of production for the merchandise under review, but allows the Department to determine the cost, rather than a constructed value, for containers, coverings, and other expenses incidental to shipment to the United States.

Department's Response: We agree with petitioner that we should value the pallets using factors and surrogate values for the wood, nails and packing labor, separately, rather than for the completed pallet. The information on the record at the time of the preliminary results indicates that the factories make the pallets from wood and nails rather than purchase the completed pallet. Therefore, we have changed our valuation accordingly.

Comment 4: Respondents argue that the non-steel surrogate values were not adjusted to reflect the period of review. Respondents note that the Department used Indian import statistics for ten months—April 1993 through January 1994—but they argue that the Department should have deflated the data to cover the first three months of the period of review. Respondents assert that a significant portion of the production of the subject merchandise occurred prior to April 1993, and that none of the imports during the period of review were produced after December 1993.

Department's Position: We disagree with the respondents. The Indian import data is contemporaneous with the period of review. See, e.g., *Furfuryl Alcohol*. In addition, the Indian import data on the record includes all of the data reported by the Indian government for period in question. As in the prior administrative review, we valued production input based on the year in which production occurred. Thus, 1992 input production was valued using 1992 factor values, and 1993 input production was valued using 1993 factor values. Because the Indian import data is both complete and contemporaneous, we have not made the requested adjustment.

Comment 5: Respondents argue that the Department incorrectly valued steel

by inflating import values by the 1992 calendar year wholesale price index (WPI) rather than the index for April through December 1992.

Department's Position: We agree with respondents and we have revised our inflator to reflect the period for which we have data (April 1992 through December 1992) rather than the 1992 calendar year.

Comment 6: Respondents argue that the Department's reliance on contemporaneous Indian import statistics is arbitrary because the data was not available either when the merchandise was sold or when the request for review was submitted. Respondents suggest that using 1992 Indian import values with a WPI adjustment would reduce such arbitrariness.

Department's Position: We disagree with respondents' arguments that use of import statistics from the April-December 1992 period is unfair because they were not available when the merchandise was sold or the reviews requested. It is the Department's standard practice to use surrogate values from a time period which is contemporaneous to the period of investigation or the period of review. See, e.g., *Furfuryl Alcohol*, in which the surrogate value for furfuryl was selected because it was more contemporaneous than other sources, and the *Preliminary Determination of Sales at Less Than Fair Value: Manganese Metal from the People's Republic of China*, 60 FR 31282, (June 14, 1995), in which surrogate values within the period of investigation, or most contemporaneous with the period of investigation, were selected.

Comment 7: SMC argues that the Department should not have resorted to using best information available (BIA) for those instances where SMC failed to provide factors-of-production data. SMC claims the use of BIA in this case penalizes SMC, and SMC cites *Badger-Powhatan v. U.S.*, CIT 1985, 608 F.Supp. 653 (*Badger-Powhatan*), as support for its claim that the purpose of the law is to be remedial, not punitive.

Department's Position: We disagree with the respondents. SMC failed to submit for the record of this proceeding factors-of-production data for one model, sales of which were first reported to the Department in SMC's supplemental questionnaire response. Since U.S. sales data for this model were submitted without the data necessary for the calculation of foreign market value (FMV), we must rely upon BIA, in accordance with section 776(1) of the Act, for these sales. As BIA, we are assigning a rate of 31.76 percent,

which is the rate from the LTFV investigation for this class or kind of merchandise.

In addition, respondents' reference to *Badger-Powhatan* is misplaced because, in that case, the Court was referring to the remedial nature of the Act as a whole rather than to the administering agency's authority to rely on BIA. See 608 F.Supp. 653, 656 (CIT 1985).

Comment 8: Respondents argue that the packing cost percentages used by the Department (7.2 percent to 30 percent of production costs) are unreasonably high. First, respondents argue that the HTS categories used for Indian imports, by which the Department valued packing factors, are basket categories which combine low-value packing materials with high-value materials used for other purposes. Second, respondents argue that because the subject merchandise has minimal value added, the inflated values for packing materials represent a higher proportion of the value of the subject merchandise than do packing materials for most other products subject to antidumping duty administrative reviews. Respondents provide two examples of cases where products from NME countries required more extensive packing than HFHTs but where packing costs represent a smaller percentage (one to two percent) of production costs than do those the Department used for HFHTs. See *Certain Chrome-Plated Lug Nuts from the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review*, 60 FR 19719 (April 20, 1995) (*Lug Nuts I*), and a September 13, 1995 team concurrence memorandum regarding the final results of an administrative review of the antidumping duty order on lock washers from the PRC.

Petitioner asserts that each dumping case is fact-specific. Therefore, the percentage cost of packing for lug nuts or lock washers has no bearing on the packing costs for HFHTs.

Department's Position: We disagree with respondents. Rejecting import values simply because they are high or low is potentially overly subjective. See *Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers from the People's Republic of China*, 58 FR 48833 (September 20, 1993) (*Lock Washers*). Furthermore, there is no record evidence that the HTS categories used by the Department to value packing factors are inappropriate or that the packing materials at issue are of disproportionately low value relative to other products within those HTS categories.

It is the Department's standard practice to use surrogate values to value packing costs. See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Partial-Extension Steel Drawer Slides With Rollers from the People's Republic of China*, (60 FR 29571, June 5, 1995), and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cased Pencils from the People's Republic of China*, 59 FR 55625 (November 8, 1994) (*Pencils*), for which Indian import statistics were used to value packing materials. Moreover, in *Lock Washers*, the Department valued packing materials using Indian import statistics. For this review, unlike in *Lug Nuts I*, the information needed to calculate packing costs using surrogate values is on the record. Therefore, for these final results, we have continued to value these packing inputs using surrogate values. In addition, pursuant to our determination concerning market economy-sourced inputs obtained from PRC trading companies (see Comment 1), we have valued cartons using only Indian import values.

Comment 9: Respondents argue that the values used for pallets are unreasonably high. Respondents do not dispute the selection of HTS subcategory 4415.10, "Cases, Boxes, Crates, Drums, and Similar Packing of Wood," to value the wood used to make the pallets, but they assert that the resulting values are not reasonable. Citing a substantial increase in the average value for this category from 1991 to 1993, respondents suggest that the increase was due to the product mix in this category rather than an increase in price of the wood. Respondents suggest that the Department examine the 1993 IM-145 U.S. import statistics for the above-noted HTS category to determine the reasonableness of the Department's pallet values.

Petitioner argues that respondents' claim regarding the cause of the average value increase is sheer speculation and is not supported by record information. Petitioner notes that data concerning U.S. import values for pallets is not on the record.

Department's Position: We disagree with respondents. See our response to *Comment 8*. Rejecting certain import values simply because they are high or low is potentially overly subjective. In addition, there is nothing on the record indicating that the pallets are of low value compared to other items within the same HTS category. Finally, as noted by the petitioner, data concerning U.S. import values for pallets is not on the record.

Comment 10: Respondents argue that incidental packing items (those not directly involved as direct inputs of the subject merchandise, such as plastic bags, iron wire, anti rust paper, anti-damp paper, and the big iron button) should be disregarded because the individual values of these items are *de minimis* and because the collective value of these items is also *de minimis*.

Petitioner argues that the Department is required to calculate margins as accurately as possible, citing *Rhone Poulenc, Inc. v. United States*, 899 F.2d 1185, 1191 (Fed. Cir. 1990) as support. Petitioner asserts that the Department's regulations allow insignificant data to be ignored in calculating adjustments to prices, but the regulations do not allow the exclusion of such data from constructed value, cost of production, or the factors of production.

Department's Position: We disagree with respondents that certain factor inputs should be eliminated from the analysis because of their small value. The items identified by respondents as being incidental items are all materials used to pack the subject merchandise, and, as such, it is appropriate that we value them, absent a compelling reason to the contrary.

Comment 11: Respondents assert that the Indian labor rates used by the Department are overly narrow because they are based on a limited survey. Respondents also argue that the rates used do not reflect the values for the types of workers in the Chinese factories producing the subject merchandise. Respondents note that the Department relied upon the November 1992 and November 1993 editions of *Investing, Licensing & Trading Conditions Abroad: India (IL&T India)*. These reports are published by a non-governmental organization which provides estimates of Indian labor rates for various types of positions in India based on available data. The Department adjusted these wages by 45 percent to account for bonuses and fringe benefits, based on an estimated range in *IL&T India* of 40–50 percent. The respondents maintain that the scope of the survey on which these estimates were based is very narrow. Respondents also argue that the resulting values do not conform with Indian law. Respondents assert that the Department should revise the adjustment for fringe benefits and bonuses to reflect rates required by Indian law. Respondents maintain that the bonuses for unskilled and semi-skilled workers should be much smaller, and that no bonus should be added for higher wage positions.

Petitioner argues that while many labor laws in India cover only unionized

workers, there is no evidence that the data used by the Department is based only upon unionized employers, or that unionized employees earned higher wages than non-unionized employees, as implied by respondents. Petitioner further argues that if the data did only cover unionized employees, its usefulness would be increased because the tool producers are collectively-owned enterprises controlled 100 percent by workers and managers.

Petitioner disagrees with respondents' assertion that the fringe benefits and bonuses reported in *IL&T India* are inappropriate because they exceed Indian legal minimums. Petitioner notes that in the previous review the Department used data indicating that fringe benefits and bonuses could exceed statutory minimums.

Department's Position: We disagree with respondents. As noted by petitioner, there could be benefit levels beyond what is statutorily required. Historical data concerning fringe benefits and bonuses are more indicative of fringe benefits and bonuses actually paid to workers in India than are statutory minima. For this reason, we have continued to rely on wage rates and fringe benefit and bonus rates used in the preliminary results.

Comment 12: Respondents argue that the wage rates the Department used in the preliminary determination were unreasonably high. Respondents note that, in *Lighters and Furfuryl Alcohol*, the Department used Indonesian wage rates of \$0.27/hour for unskilled labor and \$1.65/hour for skilled labor, which are lower than those used by the Department in the preliminary results of this review. Respondents further note that the time period covered by these rates (December 1993 through May 1994) is contemporaneous with this review period. Respondents further argue that both Indonesia and India are surrogate countries for the PRC and that the wage rates in the two countries are comparable. Respondents suggest that the Department review *Foreign Labor Trends, India*, published by the U.S. Department of Labor. Respondents argue that this report shows 1992 wage rates for factory workers in Delhi to be much lower for skilled and unskilled workers than rates used by the Department.

Petitioner argues that the cases cited by the respondents involve different industries and a different surrogate country (Indonesia), and do not offer a reliable benchmark for this review.

Department's Position: We disagree with respondents. The cases cited by the respondents involve different industries, a different surrogate country, and a different time period than is

covered by this review. It is the Department's practice to use, whenever possible, the same surrogate for all elements of a factor valuation. Moreover, the publication cited by respondents is not on the record of this proceeding.

Comment 13: Respondents argue that the rail freight values used by the Department are dated (the rates come from a 1989 cable from the U.S. Embassy in Delhi) and should be replaced with more contemporaneous data such as those provided in *Doing Business in India—An Economic Profile*, published by the Indian Ministry of External Affairs. Respondents aver that this data is superior to that used by the Department because it is official Indian government data, it is more current than the data used by the Department, and provides specific rates on a per kilometer basis. Respondents add that rail rates from non-contemporaneous periods could be adjusted using inflation factors.

Petitioner argues in favor of using the information gathered and verified by the U.S. embassy in India. Petitioner favors this information because it provides specific rates for particular ranges of shipping distances, with long distances having a lower per kilometer cost than short hauls. The petitioner argues against the use of an average figure, such as that suggested by respondents, because it would distort freight costs by overstating the per-kilometer cost for long hauls and understating the cost for short hauls. Petitioner contends that the figure suggested by respondents represents a guess, as no source for the data was provided, and it includes no indication of how the total distance shipped could affect the rate.

Department's Position: The rail freight rate suggested by the respondents was submitted for the record of this review after the preliminary results were issued, and therefore was returned as untimely filed, pursuant to 19 C.F.R. 353.31(a)(3)(1994). Therefore, for these final results, we have continued to use the cable data to value rail freight.

Comment 14: Respondents argue that, for distances of 25 kilometers or less, no freight charge, or a reduced freight charge, should be used for 1993 truck freight. (This is freight for raw materials transported from a railyard or port to the factory). Respondents contend that the costs for these trucks are already reflected in the company's overhead expenses, and the freight charge double-counts these costs. Respondents argue that, if the Department does add a freight charge, it should not arbitrarily assume that truck freight cost in India for 1 kilometer is the same as for 25

kilometers. Rather, the Department should use the 1992 rate of 0.75 Rs/MT for one kilometer plus an adjustment factor. This is the rate reported to the Department in the June 1992 embassy cable for the *Final Determination of Sales at Less Than Fair Value: Sulfanilic Acid from the People's Republic of China*, 57 FR 29705 (July 6, 1992) (*Sulfanilic Acid*), and used in the *Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers from the People's Republic of China*, 58 FR 48833 (September 20, 1993) (*Lock Washers*).

Petitioner argues that there is no evidence that the percentage used by the Department included company-owned freight services. Petitioner contends that the Department's decision to use the

rate for 25–100 kilometers for distances under 25 kilometers is both reasonable and logical. Petitioner notes that rail shippers in India pay the same rate for all shipments of less than 500 kilometers, and concludes that the grouping of all truck shipments under 100 kilometers is reasonable. Petitioner also notes that on short hauls the fixed costs of loading and unloading will form a higher proportion of the total cost than on long hauls, so minor differences in the distance shipped should not have a significant effect on the total cost.

Department's Position: We disagree with respondents that certain truck costs should be considered as factory overhead. There is nothing on the record to indicate that factory-owned trucks are used to pick up raw materials

from the rail yards. In addition, there is no record evidence that the Department's grouping of all truck freight under 100 kilometers is inappropriate or unreasonable. As the petitioner correctly points out, 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 distance shipped should not have a significant effect on the total cost. For these reasons, we have continued to value truck freight for these final results as we did for the preliminary 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)
Fujian Machinery & Equipment Import & Export Corporation:		
Axes/Adzes	2/1/93–1/31/94	19.15
Bars/Wedges	2/1/93–1/31/94	41.21
Hammers/Sledges	2/1/93–1/31/94	25.74
Shandong Machinery Import & Export Corporation:		
Bars/Wedges	2/1/93–1/31/94	57.03
Hammers/Sledges	2/1/93–1/31/94	23.17
Picks/Mattocks	2/1/93–1/31/94	80.32

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between United States price and foreign market value may vary from the percentages stated above. The Department will issue appraisal 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, as provided for by section 751(a)(1) of the Act: (1) the cash deposit rates for the reviewed companies named above which have separate rates will be the rates for those firms as stated above for the classes or kinds of merchandise listed above; (2) for picks/mattocks from FMEC and axes/adzes from SMC, which are not covered by this review, the cash deposit rates will be the rates established in the most recent review of those classes or kinds of merchandise in which those companies received separate rates—that is, the February 1, 1992 through January 31, 1993 review; (3) for all other PRC exporters, the cash deposit rates will be the PRC rates established in the LTFV investigation; 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. The PRC rates established in the LTFV investigations are 45.42 percent for hammers/sledges, 31.76 percent for bars/wedges, 50.81 percent for picks/mattocks, and 15.02 percent for axes/adzes. These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under section 353.26 of the Department's regulations to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 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 administrative review and notice is in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and section 353.22 of the Department's regulations.

Dated: March 27, 1996.

Susan G. Esserman,
Assistant Secretary for Import
Administration.

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[A–475–031]

Large Power Transformers from Italy; Extension of Time Limits of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice of extension of time limits of antidumping duty administrative review.

SUMMARY: The Department of Commerce (the Department) is extending the time limits for preliminary and final results in the administrative review of the antidumping finding on large power