

entries. Individual differences between CEP and NV may vary from the percentage stated above. Upon completion of this review, the Department will issue appraisal instructions directly to the Customs Service.

Furthermore, the following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of certain fresh cut flowers from Mexico entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(c) of the Act: (1) The cash deposit rate for the reviewed company will be the rate established in the final results of this review; (2) for merchandise exported by manufacturers or exporters not covered in these reviews but covered in the original LTFV investigation or previous review, the cash deposit will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this or a previous review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) for all other producers and/or exporters of the merchandise, the cash deposit rate shall be 18.20 percent, the rate established in the LTFV investigation.

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

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with sections 751(a)(1) and 751(d)(1) of the Act (19 U.S.C. 1675(a)) and 19 CFR 353.22 and 353.25.

Dated: May 23, 1996.

Paul L. Joffe,

*Acting Assistant Secretary for Import Administration.*

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[A-588-028]

**Roller Chain, Other Than Bicycle, From Japan; Preliminary Results of Antidumping Duty Administrative Review and Intent to Revoke Order (in Part)**

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

**ACTION:** Notice of preliminary results of antidumping administrative review and intent to revoke order (in part).

**SUMMARY:** In response to requests from the American Chain Association (ACA), petitioner in this proceeding, Izumi Chain Manufacturing Co., Ltd. (Izumi), Daido Kogyo Co., Ltd (Daido), and Enuma Chain Mfg. Co., Ltd. (Enuma), respondents in this proceeding, the Department of Commerce (the Department) is conducting an administrative review of the antidumping finding on roller chain, other than bicycle, from Japan. This review covers seven manufacturers/exporters of the subject merchandise to the United States during the April 1, 1994 through March 31, 1995 period of review (POR).

While we have preliminarily determined that four manufacturers/exporters reviewed made sales below normal value (NV) during the POR, we determined the weighted-average dumping margin for three of the four manufacturers/exporters to be *de minimis*. We have also preliminarily determined that the remaining three manufacturers/exporters reviewed had no sales or shipments of the subject merchandise during the POR. If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Customs Service (Customs) to assess antidumping duties equal to the difference between the United States price (USP) and the NV.

In accordance with section 353.25 of the Department's regulations, we intend to revoke the antidumping duty finding with respect to Daido and Enuma because we have reason to believe that Daido and Enuma have sold the subject merchandise at not less than NV for a period of at least three consecutive years and are not likely to sell the subject merchandise at less than NV in the future. Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issue; and (2) a brief summary of the argument.

**EFFECTIVE DATE:** June 4, 1996.

**FOR FURTHER INFORMATION CONTACT:** Jack K. Dulberger, Matt Blaskovich, Ron Trentham, or Joseph Hanley, 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:**

**The Applicable Statute**

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, as amended by the interim regulations published in the Federal Register on May 11, 1995 (60 FR 225130).

**Background**

The Department published an antidumping duty finding on roller chain, other than bicycle, from Japan on April 12, 1973 (38 FR 9926). The Department published a notice of "Opportunity to Request an Administrative Review" of the antidumping finding for the 1994-95 review period on April 4, 1995 (60 FR 17052). On April 25, 1995, petitioner requested that the Department conduct an administrative review of the antidumping duty finding on roller chain, other than bicycle, from Japan for seven manufacturers/exporters (Daido, Enuma, Izumi, Hitachi Metals Techno Ltd. (Hitachi), Pulton Chain Co., Ltd. (Pulton), Peer Chain Company (Peer), and R.K. Excel). Additionally, on April 28, 1995, Izumi, Daido, and Enuma also requested that the Department conduct an administrative review of their sales of the subject merchandise during the POR. In its April 28, 1995 letter, Daido and Enuma requested partial revocation of the finding pursuant to § 353.25(b) of the Department's regulations. We initiated the review on May 15, 1995, (60 FR 25885).

Hitachi, Pulton, and Peer reported, and the Department verified through Customs, that they had no shipments/sales of the subject merchandise during the POR.

The Department extended the time limits for the deadlines for the preliminary and final results of review because of the additional time required for the development of a new questionnaire that accorded with URAA. *See Antidumping Duty*

*Administrative Reviews; Time Limits*, 60 FR 56141 (November 7, 1995). As a result of the federal government 28-day total shutdown, these deadlines were further extended. The Department is conducting this administrative review in accordance with section 751 of the Act.

#### Scope of the Review

Imports covered this administrative review are roller chain, other than bicycle, from Japan. The term "roller chain, other than bicycle," as used in this review includes chain, with or without attachments, whether or not plated or coated, and whether or not manufactured to American or British standards, which is used for power transmissions and/or conveyance. Such chain consists of a series of alternately-assembled roller links and pin links in which the pins articulate inside from the bushings and the rollers are free to turn on the bushings. Pins and bushings are press fit in their respective link plates. Chain may be single strand, having one row of roller links, or multiple strand, having more than one row of roller links. The center plates are located between the strands of roller links. Such chain may be either single or double pitch and may be used as power transmission or conveyor chain.

This review also covers leaf chain, which consists of a series of link plates alternately assembled with pins in such a way that the joint is free to articulate between adjoining pitches. This review further covers chain model numbers 25 and 35. Roller chain is currently classified under the *Harmonized Tariff Schedule of the United States* (HTSUS) subheadings 7315.11.00 through 7619.90.00. HTSUS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

#### Verification

In accordance with § 353.25(c)(2)(ii) of the Department's regulations, we verified information provided by Daido and Enuma using standard verification procedures, including on-site 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.

#### Use of Facts Available

Section 776(a)(2) of the Act provides that if an interested party withholds information that has been requested by the Department, fails to provide such information in a timely manner or in the

form or manner requested, significantly impedes a determination under the antidumping statute, or provides such information but the information cannot be verified, the Department shall use facts otherwise available in reaching the applicable determination. Because Izumi, Daido, and Enuma failed or refused to submit certain information that the Department had requested, we must use facts otherwise available for all three respondents.

A large portion of Izumi's home market (HM) sales were to an affiliated reseller. We have concluded that the extremely small percentage of Izumi's remaining HM sales to unaffiliated customers do not provide a sufficient factual basis to determine whether sales to the affiliated reseller were made at arm's-length prices. See *Television Receivers, Monochrome and Color, from Japan; Final, Results of Antidumping Duty Administrative Review*, 52 FR 8940, 8943 (March 20, 1987), and *Certain Stainless Steel Cooking Ware from the Republic of Korea; Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 8253 (March 4, 1996). Further, Izumi did not submit information concerning home market downstream sales (sales by the affiliated customer to unaffiliated customers).

Daido and Enuma's U.S. sales subsidiary, Daido Corporation, incurred further processing costs on certain constructed export price (CEP) sales of attachment-equipped roller chain. Our analysis of the transfer prices of the attachments submitted by Daido Corporation for use in the calculation of total further processing costs indicates that the submitted transfer prices do not consistently reflect the actual material costs of the attachments. Further, Daido Corporation used a cost allocation methodology which, upon analysis, we determined was in a form which did not provide a reliable indication of their actual further processing costs.

For certain U.S. sales where there were no contemporaneous sales of identical merchandise in the home market, Daido and Enuma also failed to provide the Department with model match and difference in merchandise adjustment information necessary to calculate a dumping margin. Finally, as a result of findings at verification, we determined that Daido and Enuma failed to report a certain number of CEP sales.

However, because of the overall integrity of Daido and Enuma's questionnaire responses, and because the overall volume of sales affected by these deficiencies is small, we have determined to base these preliminary

results for these respondents on a calculated rate rather than a rate based entirely on the facts available. The use of facts available is necessary to calculate a dumping margin for those U.S. sales which lack the proper information necessary to calculate a dumping margin.

As facts otherwise available we are assigning to Enuma the highest transaction margin calculated on a U.S. sale made by Enuma in this review. Because no non-aberrational dumping margins were found on any U.S. sales made by Daido during the period of review, use of Daido's non-aberrational transaction margin data would not supply the adverse inference warranted in this case. Therefore, as facts otherwise available we are assigning to Daido the highest rate calculated in this review for another company (3.97 percent). We limited application of these rates to the particular transactions involved.

Examination of the circumstances surrounding Izumi's failure to provide information on downstream sales made in the home market by its affiliated reseller indicates that Izumi acted to the best of its ability to comply with the Department's requests for information. Thus, the Department has determined that, in selecting among the facts otherwise available to Izumi, an adverse inference is not warranted in this case. As facts otherwise available, we are using Izumi's reported constructed value as the basis for NV to calculate dumping margins on U.S. sales that would have been compared to NV based on downstream sales had such information been reported.

#### United States Price

In calculating USP for R.K. Excel, Daido, Enuma, and Izumi we used export price (EP), as defined in section 772(a) of the Act, because the merchandise was sold to unaffiliated U.S. purchasers prior to date of importation. Additionally, we treated certain U.S. sales by Daido and Enuma as CEP, as defined in section 772(b) of the Act, when the subject merchandise was first sold to unrelated purchasers after import into the United States. EP sales were based on packed, FOB Japanese port, ex-go-down Japanese port price, or CIF U.S. port prices to unaffiliated purchasers in the United States. We made adjustments, where applicable, for inland freight from the warehouse, inland insurance, brokerage and handling, international freight, marine insurance, in accordance with section 772(c) of the Act, because these expenses were incident to bringing the subject merchandise from the original

place of shipment in the exporting country to the place of delivery in the United States.

We based CEP on packed, FOB warehouse or delivered price to unrelated purchasers in the United States. Pursuant to section 772(c) and (d) of the Act, the Department made adjustments, where applicable, for international freight, brokerage and handling, credit, U.S. inland freight, commissions, and indirect selling expenses.

#### Normal Value

##### A. Viability

In order to determine whether there was sufficient volume of sales in the home market (HM) to serve as a viable basis for calculating NV, we compared the volume of home market sales of the foreign like product, for each of the companies subject to this review, to the volume of U.S. sales of the subject merchandise, in accordance with 773(a)(1)(B) of the Act. Because the aggregate volume of HM sales of the foreign like product for each of the companies subject to this review was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the HM provides a viable basis for calculating NV for those companies subject to this review, pursuant to section 773(a)(1)(C) of the Act.

##### B. Constructed Value

In accordance with section 773(e) of the Act, we calculated constructed value (CV) for Izumi based on its cost of materials and fabrication employed in producing the subject merchandise, SG&A, and profit incurred and realized in connection with the production and sale of the foreign like product, and U.S. packing costs. We used the costs of materials and fabrication, as reported in the CV portion of Izumi's questionnaire response. We calculated Izumi's indirect selling and credit expenses based on the information reported in the HM sales portion of Izumi's questionnaire response. We used the U.S. packing costs as reported in the U.S. sales portion of Izumi's questionnaire response. We calculated actual profit by using the information provided in Izumi's 1994 fiscal year financial statements for its chain division.

##### C. Price-to-Price Comparisons

For price-to-price comparisons, we based NV on the price which the foreign like product is first sold for consumption in the exporting country, in the usual commercial quantities, in the ordinary course of trade, and to the

extent practicable, at the same level of trade as the U.S. sale, as defined by section 773(a)(1)(B)(i) of the Act. We based NV for all companies subject to this review, on packed, delivered prices to unaffiliated purchasers in the HM. We made adjustments, where applicable, in accordance with section 773(a)(6) of the Act, for all companies subject to this review. We made deductions from NV for brokerage, inland freight, insurance and discounts. Where applicable, we made adjustments for differences in packing, credit, advertising, warranty, and technical service expenses. We made adjustments, where appropriate, for physical differences in merchandise in accordance with 773(a)(6)(C)(ii) of the Act.

Where there were no sales commissions paid in the HM, we offset U.S. commissions with the weighted average of home market indirect selling expenses up to the amount of the commissions paid on U.S. sales in accordance with 19 CFR 353.56(b)(1).

##### D. Level of Trade/CEP Offset

As set forth in section 773(a)(1)(B)(i) of the Act and in the Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, at 829-831, to the extent possible, the Department will calculate NV based on sales at the same level of trade as the U.S. sale. When the Department is unable to find sale(s) in the comparison market at the same level of trade as sale(s) in the U.S., the Department may compare sales in the U.S. and foreign markets at a different level of trade.

In accordance with section 773(a)(7)(A) of the Act, if we compare a U.S. sale at one level of trade to NV sales at a different level of trade, the Department will adjust the NV to account for the difference in level of trade if two conditions are met. First, there must be differences between the actual selling functions performed by the seller at the level of trade of the U.S. sale and at the level of trade of the NV sale. Second, the differences must affect price comparability as evidenced by a pattern of consistent price differences between sales at different levels of trade in the market in which NV is determined. When CEP is applicable, section 773(a)(7)(B) of the Act establishes the procedures for making a CEP offset when (1) NV is at a different level of trade, and (2) the data available do not provide an appropriate basis for a level of trade adjustment from the U.S. sale. Also, in accordance with section 773(a)(7)(B), to qualify for a CEP offset, the level of trade in the HM must also

constitute a more advanced stage of distribution than the level of trade of the CEP sale.

Daido and Enuma reported one level of trade and one channel of distribution in the HM (direct to end users). Daido and Enuma made CEP and EP sales to the U.S. market and claimed either a level of trade adjustment for its CEP sales, or a CEP offset. The level of trade of the U.S. sales is determined by the adjusted price of the CEP sale.

Daido and Enuma's questionnaire responses indicate a difference between the actual selling functions performed by Daido and Enuma at the level of trade of the CEP sale and at the level of trade of the HM sale. The adjusted CEP sales do not reflect the selling functions to end users, such as developing a customer base, taking sales orders, technical consultations, maintaining sales and billing records, product packing and shipping, and inventory maintenance. The HM sales reflect these additional selling functions performed for direct sales to end users. Therefore, the selling functions performed for CEP sales are sufficiently different than for HM sales to consider such sales to be at different levels of trade.

Because we compared these CEP sales to HM sales at a different level of trade, we examined whether a level of trade adjustment may be appropriate. In this case, Daido and Enuma only sold at one level of trade in the HM; therefore, there is no basis upon which Daido and Enuma has demonstrated a consistent pattern of price differences between levels of trade. Further, we do not have information which would allow us to examine pricing patterns on Daido and Enuma's sales of other products, and there are no other respondents or other record information on which such analysis could be based.

Because the data available do not provide an appropriate basis for making a level of trade adjustment, but the level of trade in the HM is a more advanced state of distribution than the level of trade of the CEP sale, a CEP offset, as requested by Daido and Enuma, is appropriate. We have applied the CEP offset to NV.

We based the CEP offset amount on the amount of the HM indirect selling expenses. We limited the HM indirect selling expense deduction by the amount of the indirect selling expenses incurred on sales to the U.S., in accordance with section 772(d)(1)(D).

##### Non-shippers

Hitachi, Pulton, and Peer stated that they did not have shipments during the POR, and we confirmed this with the U.S. Customs Service. Therefore, we are

treating them as non-shippers for this review, and are rescinding this review with respect to these companies. See *Proposed Rule*, § 351.213(d)(3), (61 FR 7365). The cash deposit rates for these firms will continue to be the rates established in the most recently completed final determination, or the all-others rate if the respondent was never assigned its own rate in a previous segment of this proceeding.

#### Intent To Revoke

Daido and Enuma requested, pursuant to 19 CFR 353.25(b), revocation of the order with respect to their sales of the merchandise in question and submitted the certification required by 19 CFR 353.25(b)(1). In addition, in accordance with 19 CFR 353.25(a)(2)(iii), Daido and Enuma have agreed in writing to their immediate reinstatement in the order, as long as any producer or reseller is subject to the order, if the Department concludes under 19 CFR 353.22(f) that Daido and Enuma, subsequent to revocation, sold merchandise at less than NV. Based on the preliminary results in this review and the two preceding reviews, Daido and Enuma have demonstrated three consecutive years of sales at not less than NV. If the final results of this and the two preceding reviews demonstrate that Daido and Enuma sold the merchandise at not less than NV, and if the Department determines that it is not likely that Daido and Enuma will sell the subject merchandise at less than NV in the future, we intend to revoke the order with respect to merchandise produced and exported by Daido and Enuma.

#### Preliminary Results

As a result of this review, we preliminarily determine that the following weighted-average dumping margin exists:

Manufacturer/exporter	Margin (percent)
Izumi .....	3.97
R.K. Excel .....	0.09
Daido .....	0.14
Enuma .....	0.09
All Others .....	15.92

Parties to this proceeding may request disclosure within five days of publication of this notice and any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication. Rebuttal

briefs and rebuttals to written comments, limited issues raised in such briefs or comments, may be filed no later than 37 days after the date of publication. The Department will publish a notice of the final results of the administrative review, which will include the results of its analysis of issues raised in any such written comments or at the hearing, within 180 days from the issuance of these preliminary results.

The Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. Individual differences between USP and NV may vary from the percentages stated above. The Department will issue appraisal instructions directly to Customs. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the determination and for future deposits of estimated duties.

Furthermore, the following deposit requirements will be effective upon completion of the final results of these administrative reviews for all shipments of roller chain, other than bicycle, from Japan entered, or withdrawn from warehouse, for consumption on or after publication date of the final results of these administrative reviews, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed companies will be those rates outlined above, except for Daido and Enuma, which, because their weighted-average margins were de minimis, will be zero percent; (2) for merchandise exported by manufacturers or exporters not covered in these reviews but covered in the original LTFV investigation or a previous review, the cash deposit will continue to be the most recent rate published in the final determination or final results for which the manufacturer or exporter received a company-specific rate; (3) if the exporter is not a firm covered in these reviews, or the original investigation, but the manufacturer is, the cash deposit rate will be that established for the manufacturer of the merchandise in the final results of these reviews, or the LTFV investigation; and (4) if neither the exporter nor the manufacturer is a firm covered in these or any previous reviews, the cash deposit rate will be 15.92 percent, the "all-others" rate based on the first review conducted by the Department in which a "new shipper" rate was established in the final results of antidumping finding administrative review (48 FR 51801, November 14, 1983).

These deposit requirements, when imposed, shall remain in effect until

publication of the final results of the next administrative review. This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during the period.

Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with section 751(a)(1) of the Act.

Dated: May 28, 1996.

Paul L. Joffe,

*Acting Assistant Secretary for Import Administration.*

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#### [A-588-028]

#### **Roller Chain, Other Than Bicycle, From Japan; Preliminary Results of Antidumping Duty Administrative Reviews**

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

**ACTION:** Notice of Preliminary Results of Antidumping Duty Administrative Reviews.

**SUMMARY:** In response to a request from the American Chain Association (ACA), petitioner in this proceeding, the Department of Commerce (the Department) has conducted administrative reviews of the antidumping finding on roller chain, other than bicycle, from Japan. The reviews cover two manufacturers/exporters of the subject merchandise to the United States during the period April 1, 1992 through March 31, 1993, and six manufacturers/exporters of this merchandise to the United States during the period April 1, 1993 through March 31, 1994. The reviews indicate the existence of dumping margins for certain firms during the relevant periods.

If these preliminary results are adopted in our final results of administrative reviews, we will instruct the U.S. Customs Service (Customs) to assess antidumping duties equal to the difference between the United States price (USP) and the foreign market value (FMV).

We invite interested parties to comment on these preliminary results. Parties who submit argument in this