

contributed importantly to total or partial separation of the firm's workers, or threat thereof, and to a decrease in sales or production of each petitioning firm.

Any party having a substantial interest in the proceedings may request a public hearing on the matter. A request for a hearing must be received by the Trade Adjustment Assistance Division, Room 7023, Economic Development Administration, U.S. Department of Commerce, Washington, D.C. 20230, no later than the close of business of the tenth calendar day following the publication of this notice.

The Catalog of Federal Domestic Assistance official program number and title of the program under which these petitions are submitted is 11.313, Trade Adjustment Assistance.

Dated: July 17, 1996.

Lewis R. Podolske,
Director, Trade Adjustment Assistance
Division.

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International Trade Administration

[A-821-803]

Titanium Sponge From the Russian Federation: 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.

SUMMARY: In response to requests from Berezniki Titanium-Magnesium Works (AVISMA), RMI Titanium Company (RMI, a U.S. importer of titanium sponge), Interlink Metals and Chemicals, Inc. (Interlink), and Titanium Metals Corporation (TIMET, a petitioner), the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on titanium sponge from the Russian Federation (Russia). This notice of preliminary results covers the period August 1, 1994 through July 31, 1995. This review covers one manufacturer/exporter, AVISMA, and two trading companies, Interlink and Cometals, Inc. (Cometals). The review indicates the existence of dumping margins during this period.

We have preliminarily determined that sales have been made below the normal value (NV). 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. 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: July 29, 1996.

FOR FURTHER INFORMATION CONTACT: Amy S. Wei or Zev Primor, Office of AD/CVD Enforcement, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482-5253.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended, (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Rounds 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 25130).

Background

The Department published an antidumping finding on titanium sponge from the Union of Soviet Socialist Republics (U.S.S.R.) on August 28, 1968 (33 FR 12138). In December 1991, the U.S.S.R. divided into fifteen independent states. To conform to these changes, the Department changed the original antidumping finding into fifteen findings applicable to the each of the former republics of the U.S.S.R. (57 FR 36070, August 12, 1992).

The Department published a notice of "Opportunity To Request an Administrative Review" of the antidumping duty finding for this review period on August 1, 1995 (60 FR 39150). On August 28, 1995, AVISMA, RMI, and Interlink requested that the Department conduct an administrative review of the antidumping finding on titanium sponge from Russia for one manufacturer/exporter, AVISMA, and one trading company, Interlink, covering the period August 1, 1994 through July 31, 1995. On August 31, 1995, TIMET requested that the Department conduct the same administrative review for AVISMA and

another trading company, Cometals. We initiated the review on September 15, 1995 (60 FR 47930) and on October 12, 1995 (60 FR 53164) (Cometals was inadvertently omitted in the previous initiation notice).

The Department extended the time limit for the deadline for the preliminary results of review because it was not practicable to complete this review within the time limit mandated by Section 751(a)(3)(A) of the Act. See *Titanium Sponge From the Russian Federation; Antidumping Duty Administrative Review; Time Limits*, 61 FR 20795 (May 8, 1996).

The Department is now conducting this administrative review in accordance with section 751 of the Act.

Scope of the Review

The product covered by this administrative review is titanium sponge from Russia. Titanium sponge is chiefly used for aerospace vehicles, specifically, in construction of compressor blades and wheels, stator blades, rotors, and other parts in aircraft gas turbine engines. Imports of titanium sponge are currently classifiable under the harmonized tariff schedule (HTS) subheading 8108.10.50.10. The HTS subheading is provided for convenience and U.S. Customs purposes. Our written description of the scope of this proceeding is dispositive.

The period of review (POR) is August 1, 1994 through July 31, 1995, covering one manufacturer/exporter, AVISMA, and two trading companies, Interlink and Cometals.

Verification

As provided in section 782(i) of the Act, we verified the information provided by the respondents by using standard verification procedures, including on-site inspection of the manufacturer's facilities, 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, which are on file in the public file of the Central Records Unit (Room B-099 in the Department of Commerce).

United States Price (USP)

AVISMA

In its questionnaire response, AVISMA stated that, prior to May 1995, it was not informed at the time of sale of the ultimate destination of merchandise that was sold by its resellers. For this reason, prior to May 1995, AVISMA is not considered to have shipped to the United States.

We determined that AVISMA's sales after May 1995 entered the United States under temporary importation bonds (TIBs). This entry information was provided to the Department by respondents and confirmed by the U.S. Customs Service (Customs). At this time, because merchandise entered under a TIB is not entered for consumption, such merchandise entered under TIB is not subject to the antidumping duty finding. See *Titanium Metals Corp. v. The United States*, Slip Op. 95-153, August 30, 1995.

Therefore, we preliminarily determine that AVISMA did not export for consumption any subject merchandise to the United States during the POR. If these preliminary results are adopted in our final results of review, AVISMA will continue to be subject to the current Russia-wide cash deposit rate of 83.96 percent, which is the rate established in the final results of the most recent administrative review of titanium sponge from Russia (61 FR 9676, March 11, 1996).

Interlink and Cometals

Because Interlink and Cometals are located in market-economy countries, we are calculating a separate rate for each reseller. In calculating USP for Interlink and Cometals, we used export price, as defined in section 772(a) of the Act. We excluded those sales made to the United States which entered the United States under TIBs. Petitioner and respondents provided information regarding TIB entries, and we are able to confirm this information regarding TIB entries, and we were able to confirm this information with Customs.

We calculated export price based on the price to unrelated purchasers in the United States. We made deductions, where appropriate, for rebates, ocean freight, warehouse expenses, insurance, brokerage and handling, inland freight, and U.S. duty charges. We made minor changes to U.S. expenses reported at verification. We valued inland freight, brokerage, ocean freight, and marine insurance expenses incurred in bringing the subject merchandise from the Russian plant to the resellers' warehouses using surrogate data based on Brazilian freight costs, where appropriate. See *Notice of Preliminary Results of the Antidumping Duty Administrative Review of Chrome-Plated Lug Nuts from the People's Republic of China*, August 16, 1995, 60 FR 42504, 42506. We selected Brazil as the surrogate country for the reasons explained in the "Surrogate Country Selection" section of this notice.

No other adjustments to USP were claimed or allowed.

Surrogate Country Selection

For all companies located in non-market economy (NME) countries, section 773(c)(1) of the Act provides that the Department shall determine the normal value on the basis of the value of the factors of production if (1) the subject merchandise is exported from an NME country, and (2) the available information does not permit the calculation of normal value under section 773(a) of the Act. Because the Department considers Russia an NME country and AVISMA is located in Russia, we are not able to determine normal value on the basis of AVISMA's costs and prices. Therefore, we have applied surrogate values to the factors of production to determine normal value.

We calculated normal value based on factors of production provided by AVISMA, in accordance with sections 773(a)(3) and 773(c) of the Act and 19 CFR 353.52 of the Department's regulations. We determined that Brazil is comparable to the Russian Federation in terms of per capita gross national product (GNP), the growth rate in per capita GNP, and the national distribution of labor. In addition, Brazil is a significant producer of comparable merchandise. Therefore, we chose Brazil as the most comparable surrogate on the basis of the above criteria and have used publicly available information relating to Brazil to value the various factors of production. See Memorandum to Wendy J. Frankel from David Mueller, *Titanium Sponge from Russia: Nonmarket Economy Status and Surrogate Country Selection*, November 7, 1995.

Normal Value

To determine the normal value, we valued the factors of production as follows (for further discussion, see the analysis memorandum for these preliminary results, on file in the Central Records Unit):

- To value raw materials, we used Brazilian import data from the United Nations *Trade Commodity Statistics (UN Trade Statistics)* for January through December 1994. We did not need to convert raw material factor values because they were reported in U.S. dollars. We adjusted certain factors' values to reflect the actual purity used in the production of the subject merchandise. For those raw materials for which we were unable to obtain publicly available information from Brazil, we used data provided for use in the final determination of sales at less than fair value (LTFV) for pure magnesium and alloy magnesium from the Russian Federation (magnesium

from Russia) and in the respondents' December 4, 1995 submission.

- To value truck and railcar freight, we used the rates reported for use in the final determination of sales at LTFV for magnesium from Russia. We multiplied these rates by the distances from the supplier to the plant, as reported by AVISMA. Because these rates were reported in Brazilian currency, we adjusted the rates to reflect inflation through the POR using the wholesale price indices (WPI) published by the International Monetary Fund (IMF).

- For energy, natural gas was valued using information from the *UN Trade Statistics*. For electricity, we used the "large industry user" rate from Brazil's electricity tariff schedule that AVISMA would have received had it been an electricity consumer in Brazil during the POR. This decision was based on finding that AVISMA's level of electricity usage during the POR was similar to the profile of "large industrial user" in the final determination of sales at LTFV for magnesium from Russia. To confirm that AVISMA would have received this rate, we divided the total number of kilowatt hours used during the POR for titanium sponge production by the number of hours in the POR, which demonstrated that AVISMA's kilowatt use was higher than the minimum necessary to receive the "large industrial user" rate in effect in Brazil during the POR.

Although petitioner has alleged the existence of government subsidies in Brazil to reduce electricity rates for ferroalloy production (See Letter to Susan G. Esserman from DeKieffer, Dibble & Horgan, *TIMET's Response to Submission of Wilmer, Cutler & Pickering Regarding Surrogate Country Selection*, December 4, 1995), we have not found any past final affirmative determinations regarding electricity subsidization in Brazil. In fact, in a final negative determination of silicon metal from Brazil, the Department found no evidence of preferential electricity rates. See *Final Negative Countervailing Duty Determination: Silicon Metal from Brazil* (56 FR 26988, June 12, 1991) at 26990.

- For direct labor, we were unable to find any recent publicly available information on Brazilian labor rates. Therefore, we used the unskilled and skilled labor rates reported by the Foreign Commercial Service office in Belo Horizonte, Brazil and from the Bureau of International Labor Affairs of the U.S. Department of Labor. These labor rates were used in the final determination of sales at LTFV for magnesium from Russia. See *Calculation Memorandum: Final*

Antidumping Duty Determination, Pure Magnesium and Alloy Magnesium from the Russian Federation, March 22, 1995, at 2. Because the skilled labor rate was reported in Brazilian currency, we adjusted the rate to reflect inflation through the POR using the WPI published by the IMF.

- For factory overhead, we used expense ratios based on elements of constructed-value data reported in the antidumping duty administrative review of silicon metal from Brazil, covering the period July 1, 1994 through June 31, 1995. In order to calculate expense ratios for selling, general, and

administrative (SG&A) expenses and profit, we calculated simple averages of the SG&A and profit ratios taken from the 1994 financial statements in the above-named review.

- For packing materials, we used information provided in the *UN Trade Statistics* from Brazil from January through December 1994. We included surrogate freight costs for the delivery of packing materials to the plant reported for use in the final determination of sales at LTFV for magnesium from Russia. We valued packing labor using the same labor rates as used in direct labor above.

Currency Conversion

We made currency conversions in accordance with section 773A(a) of the Act. Currency conversions were made at rates certified by the Federal Reserve Bank and Dow Jones Business Information Services.

Preliminary Results

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

| Manufacturer/exporter | Period | Margin (percent) |
|---|----------------|------------------|
| Interlink Metals and Chemicals, Inc | 8/1/94–7/31/95 | 0.00 |
| Cometals, Inc | 8/1/94–7/31/95 | 89.92 |
| Russia-wide rate | 8/1/94–7/31/95 | 83.96 |

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 to 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 120 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 appraisement instructions directly to Customs. The final results of this review shall be the basis for the assessment of antidumping dumping 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 this administrative review for all shipments of titanium sponge from the Russian Federation entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results

of these administrative reviews, as provided by section 751(a)(1) of the Act: (1) the cash deposit rates for AVISMA, Interlink, and Cometals will be the rates established in the final results of this administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in the original LTFV investigation or a previous review and have a separate rate, the cash deposit rate 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) for Russian manufacturers or exporters not covered in the LTFV investigation or in this or prior administrative reviews, the cash deposit rate will continue to be the Russia-wide rate; and (4) the cash deposit rate for non-Russian exporters of subject merchandise from Russia who were not covered in the LTFV investigation or in this or prior administrative reviews will be the rate applicable to the Russian supplier of that exporter. These deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

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

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)).

Dated: July 22, 1996.

Robert S. LaRussa,
Acting Assistant Secretary for Import Administration.

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[C-791-001]

Ferrochrome From South Africa; Final Results of Countervailing Duty Administrative Review

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

ACTION: Notice of final results of countervailing duty administrative review.

SUMMARY: On May 1, 1996, the Department of Commerce (the Department) published in the Federal Register its preliminary results of administrative review of the countervailing duty order on ferrochrome from South Africa for the period January 1, 1994 through December 31, 1994 (61 FR 19259). The Department has now completed this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA) (the Act). For information on the net subsidy for each reviewed company, and for all non-reviewed companies, please see the *Final Results of Review* section of this notice. We will instruct the U.S. Customs Service to assess countervailing duties as detailed in the