data will have implications for industry in future marketing and new product development FCS believes it is imperative that interested persons from appropriate industries review the findings as yield research progresses. Rather than waiting until all the yield research is complete and the revised Food Buying Guide developed, FCS will be posting the new yield information on the Healthy School Meals Resource System's web site at http://schoolmeals.nal.usda.gov:8001 as it becomes available. Therefore, interested parties should periodically review the web site to check for new information. A hard copy of these findings may be obtained by writing to the address contained in the **ADDRESSES** section of this notice.

FCS encourages all interested parties, especially affected industry representatives, to submit written comments indicating concerns about the preliminary yield data. Any comments disagreeing with the yield findings should include supporting data. Written comments should be sent to FCS at the address in the **ADDRESSES** section of this notice. FCS will consider all timely comments prior to publishing the final yield data findings.

Yield Research on Specific Items

Interested parties may also submit requests for yield research on specific food items by sending such requests, in writing, to the address listed in the **ADDRESSES** section of this notice.

Food Buying Guide Revision

Note that the yield information to be published on the web site will be preliminary and will not be incorporated into the Child Nutrition Database nor may it be relied upon for CN Labeling or meal planning purposes until finally announced at the time the Food Buying Guide revisions are made. The Food and Consumer Service does not expect to finalize the final yield data until late 1998. The final Food Buying Guide is expected to be printed and distributed by the Spring of 1999. It will be distributed in printed copy to all school food authorities and other institutions participating in the child nutrition programs. Printed copies will be made available for sale. It will also be made available on the Internet.

Authority: 42 U.S.C. 1751–1760, 1779.

Dated: July 9, 1997.

William E. Ludwig,

Administrator, Food and Consumer Service.

[FR Doc. 97–18662 Filed 7–15–97; 8:45 am]

BILLING CODE 3410–30–U

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

DEPARTMENT OF AGRICULTURE

Forest Service

[MT–962–1430–00-CCAM]

Notice of Availability for the Proposed Cooke City Area Mineral Withdrawal Final Environmental Impact Statement; Montana

AGENCY: Bureau of Land Management, Interior; Forest Service, Agriculture.

ACTION: Notice.

SUMMARY: This Notice of Availability is issued by the Bureau of Land Management, Interior, and the Forest Service, Agriculture, as the joint lead agency. The final Environmental Impact Statement (EIS) documents the effects of withdrawing from federal mineral location and entry up to 22,000 acres of federal mineral estate near Cooke City, Montana. The proposed mineral withdrawal would also apply to hardrock minerals acquired by the United States and managed as leasable minerals. The proposed mineral withdrawal would be subject to review after 20 years. Forest plans for the Custer and Gallatin National Forests would be amended to reflect the intent of the mineral withdrawal.

FOR FURTHER INFORMATION CONTACT: John Thompson, BLM Co-Lead, or Larry Timchak, FS Co-Lead, CCAM, P.O. Box 36800, Billings, Montana, 59107-6800, (406) 255–0322.

SUPPLEMENTARY INFORMATION: This EIS analyzes the environmental consequences of implementing two alternatives. The proposed withdrawal of federal locatable minerals would not allow new mining claims to be filed on federal lands in the area. Unpatented mining claims with valid existing rights and private lands would not be affected. The no action alternative (No Mineral Withdrawal) provides a baseline for comparison. This alternative would continue the management that existed prior to September 1, 1995. The Secretary of the Interior is the responsible official for the decision on a mineral withdrawal. Concurrence on a withdrawal decision by the Secretary of Agriculture is required because the lands under consideration for withdrawal are administered by the Forest Service, USDA. If a mineral withdrawal is approved, the Secretary of Agriculture is the responsible official for the Custer and Gallatin National Forest Plan amendment decisions.

DATES: A decision on the mineral withdrawal is anticipated in mid- to late August 1997.

Dated: June 23, 1997.

Thomas P. Lonnie,

Deputy State Director, Division of Resources, Bureau of Land Management.

Kathleen A. McAllister,

Deputy Regional Forester, USFS Northern Region.

[FR Doc. 97–18835 Filed 7–15–97; 8:45 am]

BILLING CODE 4310–DN–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–421–805]

Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide From the Netherlands; 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; Aramid Fiber formed of poly para-phenylene terephthalamide from the Netherlands.

SUMMARY: On March 7, 1997, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on aramid fiber formed of poly para-phenylene terephthalamide (PPD-T aramid) from the Netherlands. The review covers one manufacturer/exporter and the period June 1, 1995 through May 31, 1996. We gave interested parties an opportunity to comment on our preliminary results. Based on our analysis of the comments received, we have revised the results from those presented in the preliminary results of review.

EFFECTIVE DATE: July 16, 1997.

FOR FURTHER INFORMATION CONTACT: Nithya Nagarajan at (202) 482–0193, Eugenia Chu at (202) 482–3964, or Ellen Knebel at (202) 482–0409, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230.

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 references to the

Department's regulations are to 19 CFR part 353 (1997).

SUPPLEMENTARY INFORMATION:

Background

The Department published in the **Federal Register** the antidumping duty order on PPD–T aramid from the Netherlands on June 24, 1994 (59 FR 32678). On June 6, 1996, we published in the **Federal Register** (61 FR 28840) a notice of opportunity to request an administrative review of the order on covering the period June 1, 1995, through May 31, 1996 (''POR'').

In accordance with 19 CFR 353.22(a)(1), Aramid Products V.o.F. (Aramid) and Akzo Nobel Fibers Inc. (collectively ''Akzo'' or respondent) and petitioner, E.I. du Pont de Nemours and Company (petitioner), requested that we conduct an administrative review for the POR. We published a notice of initiation of this antidumping duty administrative review on August 8, 1996 (60 FR 41373). The Department is conducting this administrative review in accordance with section 751 of the Act.

On March 7, 1997, the Department published the preliminary results of the review. (*See* 62 FR 10524). The Department has now completed the review in accordance with section 751 of the Act.

Scope of the Review

The products covered by this review are all forms of PPD–T aramid from the Netherlands. These consist of PPD–T aramid in the form of filament yarn (including single and corded), staple fiber, pulp (wet or dry), spun-laced and spun-bonded nonwovens, chopped fiber and floc. Tire cord is excluded from the class or kind of merchandise under review. This merchandise is currently classifiable under the Harmonized Tariff Schedule (HTS) item numbers 5402.10.3020, 5402.10.3040, 5402.10.6000, 5503.10.1000, 5503.10.9000, 5601.30.0000, and 5603.00.9000. The HTS item numbers are provided for convenience and Customs purposes. The Department's written description of the scope remains dispositive.

Analysis of the Comments Received

We gave interested parties an opportunity to comment on the preliminary results of review. We received comments from respondent and petitioner.

Comment 1: Petitioner argues that in the preliminary results, the Department accepted Akzo's reported U.S. indirect selling expenses (ISE), which are based upon two factors: (1) Operating expenses per financial accounts (excluding financial expenses); and (2) interest expenses for Akzo Nobel Inc., a wholly-owned subsidiary of Akzo Nobel N.V. of the Netherlands.

Petitioner claims that both of these components of Akzo's reported U.S. ISE are in error, or were not properly verified, and should be revised in the final results. First, in petitioner's analysis of Akzo's operating expenses, petitioner takes issue with the appearance of a line item in Akzo's summary trial balance that relates to an Akzo facility in Scottsboro, Alabama. *See* U.S. Sales Verification Report, Exhibit 4, on file in the Central Records Unit (room B–099 of the Main Commerce Building). Petitioner asserts that if the subsidiary in Scottsboro performed function(s) relating to the production and sale of PPD-T aramid fiber in the United States during the period of review, then Akzo has failed to provide a full accounting of its U.S. activities and their costs.

Second, petitioner raises concerns over the inclusion of a credit on Akzo's trial balance relating to manufacturing cost. Petitioner argues that the activities included in this credit have not been properly explained by the respondent.

Third, petitioner alleges that certain amounts have not been accounted for in Akzo's reported net U.S. ISE operating expenses during the period of review. Petitioner cites U.S. Sales Verification Exhibit 24 to support its claim.

Respondent argues that the Scottsboro facility is not involved in the manufacture or sale of aramid fiber, and, therefore, the three credits appearing on Akzo's summary trial balance relating to Scottsboro are legitimately deducted from Akzo Nobel Aramid Product Inc.'s operating expenses for antidumping purposes.

Respondent explains that petitioner's concerns regarding the credit relating to manufacturing cost is misplaced. Respondent states that the credit in question relates to beaming operations, that the costs associated with beaming the subject merchandise were verified by the Department and were therefore, properly included in manufacturing costs.

Respondent disagrees with petitioner's allegation referring to U.S. Sales Verification Exhibit 24. Respondent explains that a portion of the amount petitioner claims was not accounted for was actually related to expenses outside the POR. Moreover, respondent claims this expense did not relate to the company's indirect selling expense and therefore, pursuant to established Department practice, such expenses are not properly included in net U.S. ISE as operating expenses. Respondent further argues that the POR amount identified by petitioner results from the fact that the income/expense booked in the January-May period overvalued the anticipated expense of the full year.

The Department's Position: The Department agrees with respondent that the credits on Akzo's trial balance relating to Scottsboro, Alabama were properly deducted from Akzo's operating expenses. The Department found no evidence to support petitioner's speculation that Scottsboro is involved in the production or sale of subject merchandise. The facility in Scottsboro, Alabama, Akzo Nobel Industrial Fibers Inc., is described in Akzo's responses as a manufacturer of polyester and nylon fiber and is part of the Industrial Fibers Business Unit. Specifically, Akzo's September 19, 1996 Questionnaire Response (Exhibits A–13 and A–14) references Scottsboro two times under the Industrial Fibers heading in Akzo's Annual Report. The annual report expressly defines the Industrial Fibers Business Unit as being responsible for polyester, polyamide and viscose fibers for industrial uses. Scottsboro does not appear under any subheading in Akzo's Annual Reports that would indicate that Scottsboro produces the subject merchandise. None of the information submitted by Akzo regarding Akzo Nobel Industrial Fibers Inc. supports the claim that Akzo Nobel Industrial Fibers Inc. is involved in the manufacture and sale of aramid fiber. *See, e.g.*, Exhibits A–2, A–3 and A–4 of Akzo's September 19, 1997, Questionnaire Response.

As explained by Akzo in its questionnaire response and discussed with the Department at verification, Akzo Nobel Aramid Products Inc.'s Conyers, Georgia facility is responsible for the sale of aramid fiber in the United States, Canada and Mexico. During the POR, however, the Conyers, Georgia facility was also used to warehouse certain industrial fibers for the Industrial Fibers Business Unit of the Fibers Group and to accommodate Industrial Fibers' salesmen and technical personnel. Because the Industrial Fibers Business Unit (under which the Scottsboro facility is categorized) is not involved in the manufacture or sale of aramid fiber, any credits that relate to it should be deducted from Akzo Nobel Aramid Products Inc.'s operating expenses.

The Department also verified Akzo's beaming operations. *See* U.S. Sales Verification Report at 15 and Exhibit 28. The Department verified that all costs associated with beaming the subject

merchandise during the POR were captured in Akzo's reported beaming charges (REPACKU). *See* U.S. Sales Verification Exhibit 28. The Department found no discrepancies and, therefore, agrees with Akzo that the credit appearing in U.S. Sales Verification Report, Exhibit 4, was accurately reported.

In addition, the Department verified that the credit amount associated with the over booking of the anticipated expense that petitioner claims was not accounted for was actually related to expenses outside the POR. In addition, the Department verified that Akzo has properly accounted for its ISE expense items appearing in U.S. Sales Verification Exhibit 24.

For all of the reasons listed above, the Department has not made any adjustment to Akzo's total U.S. ISE operating expenses or to its U.S. ISE operating expense ratio.

Comment 2: Petitioner urges the Department to make an adjustment to Akzo's U.S. ISE for financial interest expenses. Petitioner notes that, in the past, the Department has taken the position that a respondent's net interest expenses should be based upon the financing expenses incurred on behalf of the consolidated group of companies to which the respondent belongs because (1) the invested capital resources (debt and equity) within a consolidated group are fungible, and (2) the controlling entity within the consolidated group has the power to determine the specific capital structures of each member unit within the group. See Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands: Final Results of Antidumping Administrative Review, 61 FR 51,406 (October 2, 1996) at 51,407. Petitioner argues that Akzo has not explained how the financing expenses are allocated to Akzo Nobel Aramid Products Inc. or to any of the other operating units. Petitioner urges the Department to depart from the way it generally calculates financing expenses, arguing that the Department's established method does not adequately capture the true financing costs of the respondent. Petitioner alleges that the amount of interest expenses that appears on Akzo Nobel Aramid Product Inc.'s books ''better accounts'' for Akzo's financing costs and business requirements than the consolidated data taken from Akzo Nobel Inc.'s financial statement. In addition, petitioner contends that the Department should revise Akzo Nobel Aramid Product Inc.'s U.S. ISE financial interest expense factor in the final results to take full account of its actual short-term borrowing costs in selling PPD–T aramid fiber in the United States.

Respondent states that Akzo has justified its use of Akzo Nobel Inc.'s consolidated figures on the ground that the U.S. parent borrows on behalf of its related companies in the United States and then charges the various operating units a share of this cost. Akzo's October 25, 1996, submission at 111. Akzo claims that the only loans and corresponding interest expense on the books of Akzo Nobel Aramid Products Inc. and Aramid Products V.o.F. are intercompany loans from the parent companies Akzo Nobel Inc. and Akzo Nobel N.V. respectively. Respondent further argues that the only actual interest expense is on the books of the parent companies because it is only these companies that actually borrow money. Akzo further explains that during the consolidation process, the interest expense recorded on the books of the subsidiaries is rolled into the interest expense of the parent. Akzo also states that it is the parent that determines the source from which funds to operate the company are obtained, and it is the parent alone that borrows money and incurs the actual interest expense when such funds are needed. Respondent claims that petitioner's speculations on how and why companies borrow money, as well as how a parent determines the amount of the loans and interest allocated to the subsidiary, are misplaced and irrelevant. These are internal decisions that take into account a variety of factors and the parent incurs the only actual interest expenses.

Respondent states that the Department's current method of calculating interest is a well founded practice that should continue to be followed in determining the final results for this review.

The Department's Position: The Department's preliminary treatment of Akzo's U.S. interest expense is in accordance with the Department's long standing practice and its final determinations in the original less-than-fair-value (''LTFV'') investigation and the first review of the order, Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands, 61 FR 51,406 (Dep't Comm. 1996) (final admin. rev.).

It is the Department's practice to calculate the respondent's net interest expense based on the financing expenses incurred on behalf of the consolidated group of companies to which the respondent belongs. In general, this practice recognizes the fungible nature of invested capital resources (i.e., debt and equity) within a consolidated group of companies. In *Cambargo Correa Metais, S.A.* v. *United States*, Slip Op. 93–163 (CIT August 13, 1993), the Court of International Trade ruled that the Department's practice of allocating interest expense on a consolidated basis due to the fungible nature of debt and equity was reasonable. The Court specifically quoted the following from Final Determination of Sales at Less than Fair Value: Certain Small Business Telephone Systems and Subassemblies Thereof from Korea, 54 FR 53,141, 53149 (1989).

> The Department recognizes the fungible nature of a corporation's invested capital resources, including both debt and equity, and does not allocate corporate finances to individual divisions of a corporation * * *. Instead, [Commerce] allocates the interest expense related to the debt portion of the capitalization of the corporation, as appropriate to the total operations of the consolidated corporation.

See also, Final Determination of Sales at Less than Fair Value: Certain Carbon Steel Butt-Weld Pipe Fittings from Thailand, 60 FR 10552, 10557 (February 27, 1995). The controlling entity within a consolidated group has the ''power'' to determine the capital structure of each member company within the group. In this case, Akzo Nobel maintains a controlling interest in Aramid and includes the company in its consolidated financial statements. See Final Determination of Sales at Less Than Fair Value: New Minivans from Japan, 57 FR at 21946 (comment 18) (May 26, 1992).

Therefore, for the final results of review, we have relied on Akzo's submitted interest expense, which is based on Akzo Nobel's consolidated financial statements, and have not imputed interest expense on affiliated party loans as suggested by the petitioner.

Comment 3: The petitioner alleges that either Akzo Nobel Inc. or Akzo Nobel N.V. has reimbursed Akzo Nobel Aramid Products Inc. for antidumping duty payments. *See* Petitioner's Case Brief at 14–16. To support its claim, petitioner refers the Department to an account item on the summary trial balance of Akzo Nobel Aramid Products Inc. Petitioner further supports its position by speculating that certain amounts may be reimbursed by either Akzo Nobel Inc. or Akzo Nobel N.V. Petitioner requests the Department, pursuant to 19 CFR 353.26 (a), deduct from Akzo's U.S. price (USP) an amount equal to 66.92% of Akzo's total reported entries during the POR.

Akzo claims that it is not being reimbursed for antidumping duties and

the petitioner's speculation to the contrary does not warrant a deduction of antidumping duty deposits from Akzo's U.S. price. Akzo cites the Department's regulations requiring the Department to deduct from U.S. price the amount of any antidumping duty which the producer or reseller: (i) Paid directly on behalf of the importer; or (ii) reimbursed to the importer. 19 CFR § 353.26 (a). Akzo notes that this regulation also requires the importer to file a certificate, prior to liquidation, with the U.S. Customs Service attesting to the absence of any agreement for the payment or reimbursement of any part of the antidumping duties by the manufacturer, producer, seller or exporter. 19 CFR § 353.26 (c). The regulation provides that the Department may presume from an importer's failure to file this certificate that the producer or reseller paid or reimbursed the antidumping duties. 19 CFR § 353.26 (c). Akzo argues that it is in full compliance with the Department's regulations. It states that as required by § 353.26 (c), Akzo Nobel Aramid Products Inc. has filed, prior to liquidation, certifications with Customs attesting to the absence of any agreement with the manufacturer, producer, seller or exporter (i.e., Aramid Products V.o.F.) for the payment or reimbursement of antidumping duties. Further, the respondent claims that Akzo Nobel Aramid Products Inc. has not entered into such an agreement with Akzo Nobel Inc. or Akzo Nobel N.V. In support of its arguments, Akzo cites the ruling in *The Torrington Corp.* v. *United States,* 881 F. Supp. 622, 632 (1995) (hereafter ''Torrington'') that ''once an importer . . . has indicated on this certificate that it has not been reimbursed for antidumping duties, it is unnecessary for the Department to conduct an additional inquiry absent a sufficient allegation of customs fraud.'' Akzo claims that because it has filed the requisite certification, and because petitioner has failed to show any customs fraud, the record establishes that neither Akzo Nobel Inc. nor Akzo Nobel N.V. has reimbursed Akzo Nobel Aramid Products Inc. for antidumping duty payments.

Akzo further contends that the CIT has affirmed the Department's longstanding precedent that absent evidence of reimbursement, the Department has no authority to make the adjustment to U.S. price requested by the petitioner. Torrington, at 632. Akzo states that, according to the CIT, the party who requests the reimbursement investigation must produce some link between the transfer of funds and reimbursement of antidumping duties. Akzo argues that the petitioner has failed to meet this burden because petitioner only pointed to an account title in a financial statement and speculated as to the nature of that account. Akzo argues that petitioner has failed to establish any agreement for reimbursement of antidumping duties between either Akzo Nobel Inc. or Akzo Nobel N.V. and Akzo Nobel Aramid Products Inc. Respondent argues that § 353.26 (a) applies only if petitioner shows that the foreign manufacturer either paid the antidumping duty on behalf of the U.S. importer or reimbursed the U.S. importer for its payment of the antidumping duty. According to Akzo, the regulation does not impose upon the Department an obligation to investigate based on unsupported allegations. Torrington, at 631; *see* also Tapered Roller Bearings from Japan, 62 FR at 11,831, comm.2.

In response to petitioner's argument concerning whether GAAP permits a company to recognize anticipated refunds from the U.S. government, Akzo states that it had a reasonable expectation of obtaining significant refunds of the dumping deposits from the U.S. Customs Service through the administrative review process. Akzo argues that the LTFV margin established that the deposit rate was not tied entirely to pricing analyses, but was largely attributable to imputed costs based on a corporate structure that no longer exists. Moreover, upon issuance of the antidumping order, Akzo claims that it ceased making the lower-priced sales that contributed to the LTFV margin and cash deposit rate.

Akzo states that, in support of its reimbursement allegation, petitioner focuses on the April 1996, publication of the preliminary results of the first administrative review as providing the first possible indication of antidumping duty liability. The sales subject to that review, Akzo claims, were concluded in May 1995, which Akzo claims allowed it sufficient time to fairly estimate the antidumping duty liability associated with such sales for its 1995, financial statement and December 31, 1995, trial balance. Accordingly, Akzo claims that petitioner's speculation of reimbursement of antidumping duties must be rejected and no punitive inferences taken with regard to the calculation of Akzo's U.S. prices.

The Department's Position: The Department agrees with Akzo. The Department's regulations require the Department to deduct from U.S. price the amount of any antidumping duty which the producer or reseller (i) paid directly on behalf of the importer or (ii) reimbursed to the importer. 19 C.F.R.§ 353.26 (a)(1996). Absent evidence of reimbursement, the Department has no authority to make the adjustment to U.S. price. Torrington, 881 F. Supp. at 632, citing Brass Sheet and Strip From Sweden, 57 F.R. 2706, 2708 (Dep't Comm. 1992) (final admin. rev.) and Brass Sheet and Strip From the Republic of Korea, 54 Fed. Reg. 33,257, 33,258 (Dep't Comm. 1989) (final admin.rev.). In the instant review, we found no evidence of inappropriate financial intermingling between Akzo Nobel Aramid Products, Inc. And Akzo Nobel Inc. or Akzo Nobel N.V. The Department verified that Akzo Nobel Aramid Products, Inc. is responsible for all cash deposits and duties assessed. The evidence cited by petitioner, (much of which is proprietary) does not constitute evidence of reimbursement. At verification, we found no evidence that the account referenced by petitioner was in any way related to reimbursement. Further, Akzo Nobel Aramid Products Inc. has filed the required certifications with Customs attesting to the absence of any agreement with the manufacturer, producer, seller, or exporter (i.e., Aramid Products V.o.F.) for the payment or reimbursement of antidumping duties. The Department found no evidence that Akzo Nobel Aramid Products Inc., has entered into such an agreement with Akzo Nobel Inc. or Akzo Nobel N.V. (For a more detailed discussion of this issue, see the memorandum to the file dated July 7, 1997). Based upon the above, we find that 19 C.F.R. § 353.26 is not applicable in this case.

Comment 4: The petitioner argues that the Department should include Akzo's third party payments as part of Akzo's home market indirect selling expenses because such payments cannot be tied to specific sales transactions. The petitioner also argues that, if the Department continues to treat the payments as direct selling expenses, it should not apply the adjustment to sales made in the POR because the third party did not make any claims for such payments and because the calculated rate for direct selling expenses was based upon the previous year's sales.

Akzo argues that the Department properly treated home market third party payments as direct selling expenses, just as it treated U.S. third party payments. Akzo states that it made third party payments as an incentive for companies to specify the use of its products in their goods. The respondent claims that Akzo only made third party payments after purchases of the subject

merchandise in a converted form were made. Akzo claims that petitioner advances no theory regarding why Akzo would make such payments other than to further the sale of the subject merchandise to Akzo's direct customers. Akzo argues that the petitioner is mistaken that the Department requires third-party payments to be transaction specific and tied to particular sales to qualify as direct selling expenses. Akzo claims that the Department normally accepts claims for home market direct selling expenses as direct adjustments to price if it determines that a respondent reported the expense:

> on an allocated basis, provided that it was not feasible for the respondent to report the expense on a more specific basis and the allocation does not cause unreasonable distortions (*i.e.,* was likely to have been granted proportionately on sales of scope and non-scope merchandise).

Tapered Roller Bearings from Japan, 62 FR at 11, 839, comm.9.

Akzo states that it has reported its third party payment expense on a non-distortive, allocated basis by dividing the total payment over the total quantity of all eligible sales, i.e., sales of a specific product, to a specific customer. For this reason, Akzo believes that there is no basis for the Department to deny Akzo's claim for a direct selling expense.

Akzo claims it has reported in its questionnaire response that its third party payments are identical to the programs verified by the Department during the course of the original LTFV investigation. Akzo notes that the Department accepted its allocation methodology without verification during the first administrative review. Akzo states that, in the second review, it has reported third party payments on home market sales in the same manner as in the original LTFV investigation and first review. Akzo states that payments were made to the very same company in the first review as in the current review. The respondent notes that the Department accepted this approach in the previous administrative review and in the instant review verified the underlying data. According to Akzo, the Department made reference to this issue in its Home Market Sales Verification Report at 9. Akzo argues that it adopted the identical allocation methodology for its third party payments made in the U.S. market as in the home market. According to Akzo, the petitioner has not raised any objection to Akzo's identical third party payment methodology in the U.S. market because these payments are included in the margin calculation to reduce U.S. price. Akzo argues that, if the Department agrees with petitioner's objection to the home market methodology, it must adopt the same position for the identical U.S. market methodology. However, Akzo argues that the Department properly used Akzo's legitimate third party payments in the home market to reduce home market prices, and that the Department should maintain this decision in the calculation of the final results.

The Department's Position: We agree that Akzo has properly included home market third party payments in its direct selling expenses. The Department requires third party payments to be transaction-specific and tied to particular sales to qualify as direct selling expenses. The Department normally accepts claims for home market direct selling expenses as direct adjustments to price on an allocated basis, provided that it was not feasible for the respondent to report the expense on a more specific basis and the allocation does not cause unreasonable distortions (i.e., the allocation of direct selling expenses was likely to have been granted proportionately on sales of scope and non-scope merchandise). See Tapered Roller Bearings from Japan, 62 FR at 1,839, comm.9. The Department verified that Akzo was not able to report the expense on a more specific basis. See Home Market Sales Verification Report at 9. Therefore, the Department accepted the allocation methodology that is consistent with the Department's position in the LTFV investigation and the first administrative review. Akzo has reported its third party payment expense on a non-distortive, allocated basis by dividing the total payment over the total quantity of all eligible sales, *i.e.,* sales of a specific product, to a specific customer. For this reason, the Department will continue to treat home market third party payments as direct selling expenses.

We verified that Akzo's third party payments are based upon total purchases of converted Aramid product from Aramid's direct customers (the converters who provide additional finishing or further manufacturing to Aramid's products). During verification, the Department verified the third party payment programs and reviewed letter agreements between the parties, credit notes issued to the third party payment recipient and purchases by the direct customer and found no discrepancies. See Home Market Sales Verification Report, Exhibit 16. The Department also verified that Akzo made third party payments as an incentive for companies to specify the use of its products in their goods, and that Akzo only made third party payments after purchases of the subject merchandise in a converted form were made. For the above reasons, the Department has determined that it is appropriate to include home market third party payments in its direct selling expenses.

Comment 5: The petitioner argues that the Department did not carry out its intention to remove from the pool of potential home market matches the sales that failed the arm's-length test and suggests the Department correct its mistake in the final results. In addition, the petitioner makes two arguments—one methodological, and one computational—regarding the model matching methodology applied for the preliminary results of the review. First, the petitioner claims that the Department mistakenly applied a model-match program in which the earliest home market sale found within the Department's 90/60 day window is used for comparison, rather than the home market sale that ''most closely'' corresponds to the U.S. sale. Second, petitioner claims that the Department improperly resorts to constructed value if the first home market sale selected for comparison is below-cost, even though other suitable above-cost home market sales are available for comparison.

Akzo contends that both of these arguments should be rejected. Akzo asserts that the first argument petitioner makes is incorrect on the grounds that the Department applied a long-standing practice rooted in the statutory definition of such or similar merchandise. Respondent argues that petitioner's second argument regarding the use of CV is similarly flawed because the Department has issued policy papers which set forth a model matching methodology that contradicts petitioner's claim that the Department improperly resorted to constructed value if the first home market sale selected for comparison is below-cost, even though other suitable above-cost home market sales are available for comparison. Import Administration Policy Bulletin No. 92/4 (Dep't Comm. 12/15/92) entitled ''The Use of Constructed Value in COP Cases.''

The Department's Position: The Department did carry out its intention to remove the sales that failed the arm's length test from its preliminary model match program. The petitioner's contrary conclusion was due to the Department's shortened print command. In the ''print setup'' of the preliminary ''arm's length'' computer program, the Department specified (when printing out customer numbers), that only six digits of the eight digit reference numbers were to be printed, even though the respondent's eight digit code

was properly being read by the computer and used in the calculations. Petitioner may have been confused by a six digit customer reference number printed in the program output when in actuality the customer numbers had eight digits. For clarity, the Department has changed the print command in the final arm's length computer program so that eight digit customer codes are printed out, rather than being cut off at six digits. The result of this print command change is that in the final model match and final margin programs (which read in the output of the arm's length program), all eight digits of the customer code will be printed in the program outputs.

The Department has continued to use its model match program which finds the most similar home market model (CONNUMH), based on physical characteristics, that is within the 90/60 day window and passes the difference in merchandise (DIFMER) test. The Department relies on its margin calculation program to find the most contemporaneous match of a given home market model. The model match program generates home market month (MONTHH) data. However, the (MONTHH) data that appears in the model match output is not read into the Department's margin program, and does not influence the final margin calculations.

Consistent with the Department's practice, we resorted to constructed value if the first best home-market sale selected for comparison was below-cost, even though other suitable above-cost home market sales were available for comparison. See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, et al. (57 FR 28360, 28373); (''although section 773(b) expresses a preference for using sales rather than CV as the basis of FMV, it does not instruct the Department to use the next most similar merchandise as the basis for FMV, but rather it requires the use of CV''); see also Certain Circular Welded Carbon Steel Pipes and Tubes from Thailand (61 FR 1328, 1331). (The Department rejects the position that, prior to using CV, the Department should have exhausted all three alternative matches provided in the company concordance.)

Comment 6: The petitioner states that the Department should amortize goodwill expenses over a period that covers the POR. The petitioner contends that, unless the Department includes this amount, it will improperly understate the actual cost of producing PPD–T aramid fiber during the POR. The petitioner argues that in the prior review the Department adjusted Akzo's costs to account for revalued assets and excluded the entire amount of Akzo's goodwill amortization from general expenses to avoid double counting the expense and to recognize that any goodwill remaining after adjustment to the revalued assets was not part of Aramid's production costs. The petitioner believes that the Department's treatment of Akzo's goodwill expenses in the first review is not supported by substantial evidence on the record and is contrary to law.

The petitioner states that proper treatment of Akzo's goodwill expenses requires that these costs be amortized over a period that includes the current review. The petitioner contends that the preliminary results fail to take such expenses into account. Petitioner argues that unless Akzo's cost of production is revised in the final results to include an amount for amortized goodwill expenses, the Department once again will improperly understate Akzo's cost of producing PPD–T aramid fiber during the period of review.

Akzo states that the proper treatment of the goodwill that arose from the purchase of Aramid Products was the focus of the first administrative review, and that the Department spent a significant amount of time gathering and analyzing all aspects of the purchase. At the end of the analysis, the Department determined that, for cost calculation purposes, it was more appropriate to isolate those components of goodwill that pertained to assets used in the production of subject merchandise. See Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands, (61 FR 51,406). Akzo states that it complied with the decision presented in the first administrative review in preparing the response for this review, and that the Department complied with the petitioner's request to verify. Akzo cites Cost Verification Exhibits 36 and 37, which were used to verify the submitted depreciation expense for Emmen and Delfzijl. Akzo suggests that no circumstances warrant deviation from the well-reasoned decision in the first administrative review.

The Department's Position: The Department agrees with Akzo. As explained at length in the final results of the first administrative review, the Department determined to accept Akzo's accounting method for the amortization of goodwill expense as reasonable. The Department spent a significant amount of time gathering and analyzing all aspects of the facts surrounding the goodwill issue during the first administrative review. At the end of its analysis, the Department determined that, for cost calculation purposes, it was more appropriate to isolate those components of goodwill that pertained to assets used in the production of subject merchandise. See Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands, 61 FR 51,406. The Department verified that Akzo complied with the Department's determination on goodwill in the first administrative review in preparing its response for the instant review. Cost Verification Exhibits 36 and 37 were used to verify the submitted depreciation expense for Emmen and Delfzijl. *See* Cost Verification Report to the File, dated February 21, 1997.

Comment 7: The petitioner suggests the following corrections be made to the preliminary margin program: (1) Correct the customer code or other aspects of the programming so that sales to the affiliated customer that failed the arm's-length test are properly excluded; (2) correctly apply the warranty-rate factor reported by Akzo; (3) use the highest value for the specific U.S. expense reported by Akzo in its data base to fill in missing U.S. expense data rather than use zeros; (4) at lines 3581 to 3584 of the preliminary program, petitioner recommends that the Department not divide guilder (NLG)-denominated home market variables by the conversion factor (2.2046 lbs/kg) before adding them to corresponding NLG-denominated U.S. variables; (5) petitioner recommends not duplicating conversions at lines 3727 to 3730 of the preliminary margin program, because these weight conversions already had occurred at lines 3488, 3716, 3489, and 3490; (6) at line 3757 petitioner recommends that the Department convert credit reported in Akzo's constructed value data base (CREDCV) from a per-kilogram to a per pound amount before making subtractions; and (7) at line 3734 of the preliminary margin program, petitioner recommends the correction of a currency conversion error in adding a dollar denominated U.S. packing variable (PACKU) to a NGL-denominated components of constructed value (CV).

Akzo recommends that, in calculating foreign movement expenses (line 3500), the Department convert the international freight costs from guilders to dollars before adding these costs to dollar denominated insurance costs to arrive at the value for foreign movement expenses. Akzo did not make any further recommendations regarding the Department's preliminary margin program. In addition, Akzo did not object to any of petitioner's

aforementioned suggested corrections in its rebuttal briefs.

The Department's Position: The Department agrees with both petitioner and respondent and has addressed all of the suggestions in its final margin program. For further explanation see Calculation Memorandum, July 7, 1997.

Final Results of Review

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

Manufacturer/exporter	Period of review	Margin (percent)
Akzo	6/1/95–5/31/96	26.25
All Other	6/1/95–5/31/96	66.92

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

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of review for all shipments of PPD–T aramid fiber from the Netherlands entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate listed above; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate 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 review, a prior 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 this merchandise, the cash deposit rate shall be 66.92 percent, the ''all others'' rate established in the LTFV investigation (59 FR 32678, June 24, 1994). 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 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 subsequent assessment of double antidumping duties.

Notification to Interested Parties

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 19 CFR 353.34(d). Timely written 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 are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: July 7, 1997.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–18730 Filed 7–15–97; 8:45 am]

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DEPARTMENT OF COMMERCE

[A–580–807]

Polyethylene Terephthalate Film, Sheet, and Strip From the Republic of Korea; Final Results of Antidumping Duty Administrative Review

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

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

SUMMARY: On March 7, 1997, the Department of Commerce (the Department) published the preliminary results of administrative review of the antidumping duty order on polyethylene terephthalate film sheet, and strip (PET film) from the Republic of Korea. The review covers two manufacturers/exporters of the subject merchandise to the United States and the period June 1, 1995 through May 31, 1996.

As a result of comments we received, the dumping margin for one respondent, SKC Limited (SKC) has changed from the one presented in our preliminary results. The margin for STC Corporation (STC) remains the same as the one published in our preliminary results.

EFFECTIVE DATE: July 16, 1997.

FOR FURTHER INFORMATION CONTACT: Michael J. Heaney, Maureen McPhillips, or Linda Ludwig, AD/CVD Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482–4475, 3019, or 3833, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 7, 1997 (62 FR 10527), the Department published the preliminary results of administrative review and termination in part of the antidumping duty order on PET film from the Republic of Korea, 56 FR 25669 (June 5, 1991).

This review covers two manufacturers/exporters of the subject merchandise to the United States: SKC and STC, and the period June 1, 1995 through May 31, 1996.

The Department has concluded this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act).

Scope of the Review

Imports covered by this review are shipments of all gauges of raw pretreated, or primed polyethylene terephthalate film, sheet, and strip, whether extruded or coextruded. The films excluded from this review are metallized films and other finished films that have had at least one of their surfaces modified by the application of a performance-enhancing resinous or inorganic layer of more than 0.00001 inches (0.254 micrometers) thick. Roller transport cleaning film which has at least one of its surfaces modified by the application of 0.5 micrometers of SBR latex has also been ruled as not within the scope of the order.

PET film is currently classifiable under Harmonized Tariff Schedule (HTS) subheading 3920.62.00.00. The HTS subheading is provided for convenience and for U.S. Customs purposes. The written description remains dispositive as to the scope of the product coverage.

The review covers the period June 1, 1995 through May 31, 1996.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Tariff Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all references to the Department's regulations are to 19 CFR part 353, as amended by the regulations published in the **Federal Register** on May 19, 1997 (62 FR 27296).