

Manufacturer/exporter	Percent margin
Gourmet Equipment (Taiwan) Corporation	6.47
Buxton International	6.93
Chu Fong Metallic Electric Co	10.67
Transcend International	10.67
Kuang Hong Industrial Works	10.67
San Chien Industrial Works, Ltd ..	10.67
Everspring Corporation	10.67
Anmax Industrial Co., Ltd	10.67
Everspring Plastic Corp	10.67
Gingen Metal Corp	10.67
Goldwinate Associates, Inc	10.67
Hwen Hsin Enterprises Co., Ltd ...	6.93
Kwan How Enterprises Co., Ltd ...	6.93
Kwan Ta Enterprises Co., Ltd	6.93
Kuang Hong Industries Ltd	6.93
Multigrand Industries Inc	10.67
San Shing Hardware Works Co., Ltd	10.67
Trade Union International Inc./Top Line	10.67
Uniauto, Inc	10.67
Wing Tang Electrical Manufacturing Company	6.93
Chu Fong Metallic Industrial Corporation	6.93

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Upon completion of this review, the Department will issue appraisal instructions on each manufacturer/exporter directly to the U.S. Customs Service.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise, entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed firms will be those firms' rates established in the final results of this administrative review; (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 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) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 6.93 percent, the "all others" rate established in the LTFV investigation.

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

Interested parties may request disclosure within five days of the date of publication of this notice, and a hearing within 10 days of the date of publication. Any hearing requested will be held as early as convenient for parties but not later than 44 days after date of publication, or the first workday thereafter. Case briefs, or other written comments, from interested parties may be submitted not later than 30 days after the date of publication of this notice. Rebuttal briefs and rebuttal comments, limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will publish the final results of review, including the results of its analysis of issues raised in any such written comments.

This notice 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 notice also serves as a preliminary 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). Failure to comply with the regulations and the terms of the APO is a sanctionable violation.

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

Dated: August 4, 1995.

Susan G. Esserman,
Assistant Secretary for Import Administration.

[FR Doc. 95-21432 Filed 8-28-95; 8:45 am]

BILLING CODE 3510-DS-M

[C-533-063]

Certain Iron-Metal Castings From India: Preliminary Results of Countervailing Duty Administrative Review

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

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain iron-metal castings from India for the period January 1, 1992 through December 31, 1992. We preliminarily determine the net subsidy to be 12.93 percent *ad valorem* for Kajaria Iron Castings (Kajaria); 0.00 percent *ad valorem* for Dinesh Brothers, Pvt. Ltd. (Dinesh) and 3.54 percent *ad valorem* for all other companies. Interested parties are invited to comment on these preliminary results. Parties who submit comments in this proceeding are requested to submit with their comments (1) a statement of the issue and (2) a brief summary of their position.

EFFECTIVE DATE: August 29, 1995.

FOR FURTHER INFORMATION CONTACT: Elizabeth Graham or Kristin Mowry, Office of Countervailing Investigations, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230; telephone: (202) 482-4105 and 482-3798.

SUPPLEMENTARY INFORMATION:

Background

On October 16, 1980, the Department published in the **Federal Register** (45 FR 68650) the countervailing duty order on certain iron-metal castings from India. On October 8, 1992, the Department published in the **Federal Register** a notice of "Opportunity to Request an Administrative Review" (57 FR 46371) of this countervailing duty order. On October 27, 1992, we received a timely request for review from the Municipal Castings Fair Trade Council and individually-named members (petitioners), all of which are interested parties.

We initiated the review, covering the period January 1, 1992 through December 31, 1992, on November 17, 1993 (58 FR 60600). The review covers 14 companies (11 exporters and three producers of the subject merchandise), which account for virtually all exports of the subject merchandise from India, and 12 programs.

Applicable Statute and Regulations

The Department is now conducting this administrative review in accordance with section 751(a) of the Tariff Act of 1930 as amended (the Act). Unless otherwise indicated, all citations to the statute and the Department's regulations are in reference to the provisions as they existed on December 31, 1994. However, references to the Department's *Countervailing Duties: Notice of Proposed Rulemaking and*

Request for Public Comments, 54 FR 23366 (May 31, 1989) (*Proposed Regulations*), are provided solely for further explanation of the Department's countervailing practice. Although the Department has withdrawn the particular rulemaking proceeding pursuant to which the *Proposed Regulations* were issued, the subject matter of these regulations is being considered in connection with an ongoing rulemaking proceeding which, among other things, is intended to conform the Department's regulations to the Uruguay Round Agreements Act. See 60 FR 80 (January 3, 1995).

Scope of Review

Imports covered by the review are shipments of Indian manhole covers and frames, clean-out covers and frames, and catch basin grates and frames. These articles are commonly called municipal or public works castings and are used for access or drainage for public utility, water, and sanitary systems. During the review period, such merchandise was classifiable under the *Harmonized Tariff Schedule* (HTS) item numbers 7325.10.0010 and 7325.10.0050. The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Calculation Methodology for Assessment and Deposit Purposes

Pursuant to *Ceramica Regiomontana, S.A. v. United States*, 853 F. Supp. 431 (CIT 1994), Commerce is required to calculate a country-wide CVD rate, *i.e.*, the all-other rate, by "weight averaging the benefits received by all companies by their proportion of exports to the United States, inclusive of zero rate firms and *de minimis* firms." Therefore, we calculated the net subsidy on a country-wide basis by first calculating the subsidy rate for each company subject to the administrative review. We then weight-averaged the rate received by each company using as the weight its share of total Indian exports to the United States of subject merchandise, including all companies, even those with *de minimis* and zero rates. We then summed the individual companies' weight-averaged rates to determine the subsidy rate from all programs benefitting exports of subject merchandise to the United States.

Since the country-wide rate calculated using this methodology was above *de minimis*, as defined by 19 CFR § 355.7 (1994), we proceeded to the next step and examined the net subsidy rate calculated for each company to determine whether individual company

rates differed significantly from the weighted-average country-wide rate, pursuant to 19 CFR § 355.22(d)(3). Two companies (Kajaria and Dinesh) received significantly different net subsidy rates during the review period pursuant to 19 CFR § 355.22(d)(3). These companies are treated separately for assessment and cash deposit purposes. All other companies are assigned the country-wide rate.

Analysis of Programs

I. Programs Conferring Subsidies

A. Pre-Shipment Export Financing

The Reserve Bank of India, through commercial banks, provides pre-shipment financing, or "packing credit," to exporters. With these pre-shipment loans, exporters may purchase raw materials and packing materials based on presentation of a confirmed order or letter of credit. In general, the loans are granted for a period of up to 180 days.

In prior administrative reviews of this order, this program was determined to be countervailable because receipt of the loans under this program is contingent upon export performance and the interest rates were preferential. (See *e.g.*, *Final Results of Countervailing Duty Administrative Review: Certain Iron-Metal Castings From India* (56 FR 41658; August 22, 1991) (1987 *Indian Castings Final Results*); *Final Results of Countervailing Duty Administrative Review: Certain Iron-Metal Castings From India* (56 FR 52515; October 21, 1991) (1988 *Indian Castings Final Results*); and *Final Results of Countervailing Duty Administrative Review: Certain Iron-Metal Castings From India* (56 FR 52521; October 21, 1991) (1989 *Indian Castings Final Results*.) There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability. During the review period, the rate of interest charged on Pre-Shipment Export loans ranged from 13 to 15 percent, depending on the length and date of the loan.

In the case of a short-term loan provided by a government, the Department uses the average interest rate for an alternative source of short-term financing in the country in question as a benchmark. In determining this benchmark, the Department selects the predominant source of short-term financing in the country in question. (See section 355.44(3)(b)(i) of the *Proposed Regulations*).

The Government of India (GOI) classifies the companies under review as small-scale industry companies.

Therefore, we used the small-scale industry short-term interest rate published in a Reserve Bank of India periodical, *Reserve Bank of India Annual Report 1992-93*, that was submitted by the GOI. This publication provided us with the actual short-term small-scale industry interest rate of 15 percent.

During the review period, 9 of the 14 respondent companies made payments on Pre-Shipment Export loans for shipments of subject castings to the United States.

To calculate the benefit from the pre-shipment loans to these nine companies, we compared the actual interest paid on these loans during the review period with the interest that would have been paid using the benchmark interest rate of 15 percent. If the benchmark rate exceeded the program rate, the difference between those amounts is the benefit. We then divided the benefit by either total exports or by total exports of the subject merchandise to the United States, depending on how the pre-shipment financing was reported. That is, if a company was able to segregate pre-shipment financing applicable to subject merchandise exported to the United States, we divided the benefit derived from only those loans by total exports of subject merchandise to the United States. If a firm was unable to segregate pre-shipment financing, we divided the benefit from all pre-shipment loans by total exports. On this basis, we preliminarily determine the net subsidy from this program to be 0.06 percent *ad valorem* for all manufacturers and exporters in India of certain iron-metal castings, except for Kajaria and Dinesh which have significantly different aggregate benefits. The net subsidy for Kajaria is 0.30 percent *ad valorem*. The net subsidy for Dinesh is 0.00 percent *ad valorem*.

2. Post-Shipment Export Financing

The Reserve Bank of India, through commercial banks, provides post-shipment loans to exporters upon presentation of export documents. Post-shipment financing also includes bank discounting of foreign customer receivables. In general, post-shipment loans are granted for a period of up to 180 days. The interest rate for post-shipment financing ranged from 12.5 to 24.75 percent during the review period.

In prior administrative reviews of this order, this program was determined to be countervailable because receipt of the loans under this program is contingent upon export performance and the interest rates were preferential. (See the 1988 and 1989 *Indian Castings Final*

Results.) There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability. For reasons stated above for pre-shipment financing, we are using 15 percent as our short-term interest rate benchmark for these loans.

On January 1, 1992, the GOI introduced a program entitled "Scheme for Post-Shipment Credit Denominated in Foreign Currency" (PSCFC). The loans are denominated in dollars and provided at interest rates at or above the London Interbank Offering Rate (LIBOR). Upon presentation of the export documents, the bank will credit the exporter's account in rupees for the loan amount less interest. The interest rate charged on these loans ranged from 6.5 percent to 8.5 percent during the review period.

Our normal practice is to use a foreign currency benchmark where loans are denominated in foreign currency. In this case, however, the Indian exporter borrowing under this program receives rupees. The loans are generally repaid in dollars when the customer makes payment. However, if the customer defaults, the exporter must repay the loan in rupees. Therefore, as explained more fully below, although the loans are tied to foreign exchange, foreign currency benchmarks are not appropriate.

Under these loans, the rupee equivalent of the amount of principal repaid will vary according to the exchange rate. This occurs because the principal remains constant in dollar terms, but as the dollar/rupee exchange rate varies, the amount of rupees necessary to repay the constant dollar amount varies. In this situation, the preferred benchmark would be the interest rate on alternative dollar-indexed loans in India. However, we have not been able to locate such a benchmark, and must, therefore, use as a benchmark a rupee-denominated interest rate. To make dollar-denominated post-shipment export financing rates comparable to the benchmark, we took account of the effect of movements in the rupee-dollar exchange rate over the loan period.

On March 1, 1992, the GOI introduced the Liberalised Exchange Rate Management System, whereby the rupee was made partly convertible. Under this system, 40 percent of all foreign exchange remitted was required to be exchanged at the official exchange rate and the remaining 60 percent at a market determined rate.

Because Indian exporters and banks use two exchange rates, we have used both of those rates (in the proportions,

40 percent at the official rate and 60 percent at the market rate) to calculate the amount of interest paid in rupees, adjusting for exchange rate fluctuations between the day of receipt and the day of repayment. We then compared the interest that would be paid on a benchmark rupee loan to the interest paid on the dollar-indexed loans. In this calculation, we have followed our consistent methodology of assuming that interest would be paid on the rupee loans at the time of repayment. (See section 355.48(b)(3) of the Proposed Regulations.)

During the review period, 11 of the 14 respondent companies made payments on post-shipment export loans for shipments of subject castings to the United States. One of these 11 companies, Serampore Industries Private Ltd. (Serampore), provided incomplete post-shipment loan information in its response to our questionnaire. We have requested Serampore provide the complete post-shipment loan information. Since we have not received the information in time for these preliminary results, in accordance with section 776(c) of the Act, we have assigned Serampore the highest subsidy rate for post-shipment loans calculated for another company in this review. We will use the information provided by Serampore in our final results of this review.

Also during the review period, the Reserve Bank of India refinanced banks' rupee post-shipment export credit at a rate of 11 percent per annum, while credit under the PSCFC scheme was refinanced at 5.5 percent per annum. Such refinancing practices encourage lending to the export sector; thus, driving down interest rates for exporters while driving up interest rates for domestic firms. Similar practices by other central banks of foreign governments have been considered to have been subsidizing their export sector, and thus found to be countervailable. However, we were unable to locate a reference to use as a benchmark for such refinancing practices. We will continue to search for such a benchmark, and invite interested parties to submit relevant information.

To calculate the *ad valorem* subsidy we divided the benefit by either total exports or exports of the subject merchandise to the United States, depending on whether the company was able to segregate the post-shipment financing on the basis of destination of the exported good. On this basis, we preliminarily determine the net subsidy from this program to be 0.43 percent *ad valorem* for all manufacturers and exporters in India of certain iron-metal

castings, except for Kajaria and Dinesh which have significantly different aggregate benefits. The net subsidy for Kajaria is 0.15 percent *ad valorem*. The net subsidy for Dinesh is 0.00 percent *ad valorem*.

3. Income Tax Deductions Under Section 80HHC

Under section 80HHC of the Income Tax Act, the GOI allows exporters to deduct profits derived from the export of goods and merchandise from taxable income. In prior administrative reviews of this order, this program has been determined to be countervailable because receipt of benefits under this program is contingent upon export performance. (See the 1988 and 1989 *Indian Castings Final Results*.) There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability.

To calculate the benefit to each company, we subtracted the total amount of income tax the company actually paid during the review period from the amount of tax the company would have paid during the review period had it not claimed any deductions under section 80HHC. We then divided this difference by the value of the company's total exports. On this basis, we preliminarily determine the net subsidy from this program to be 2.97 percent *ad valorem* for all manufacturers and exporters in India of certain iron-metal castings, except for Kajaria and Dinesh which have significantly different aggregate benefits. The net subsidy for Kajaria is 12.39 percent *ad valorem*. The net subsidy for Dinesh is 0.00 percent *ad valorem*.

4. Import Mechanisms

The GOI allows companies to transfer certain types of import licenses to other companies in India. During the review period, castings manufacturers/exporters sold Additional Licenses, Replenishment Licenses, Exim Scrip Licenses, and Special Exim Licenses. However, exporters reported that the Replenishment Licenses and Exim Scrip Licenses they sold during the review period were for non-subject merchandise. The GOI reported that the Replenishment License Program was terminated for exports made after February 29, 1992. The Replenishment License Program was replaced by the Exim Scrip Program, which was itself terminated on March 1, 1992. On April 1, 1992, the Special Exim License Program was created to replace the Exim Scrip Program.

Additional licenses permit the exporter to import a variety of products

in an amount equal to ten percent of the "net foreign exchange" earned in the previous year. Imports under an additional license are subject to customs duties and there is no obligation to export the products incorporating the imported inputs.

Special Exim Licenses are issued to exporters based on their net foreign exchange earnings. Special Exim Licenses specify the products that may be imported using the license and the exporter is not required to incorporate the inputs into the products it exports.

Replenishment Licenses permit the replacement of imported inputs used in exported products. The types and amounts of products which can be imported under a Replenishment License are contingent upon the particular product exported. Exporters are required to pay import duties on the inputs imported under a Replenishment License, but the importer is not required to incorporate the inputs into the product it exports. Additionally, Replenishment Licenses may not be issued to exporters utilizing Advance Licenses to import inputs.

Exim Scrip Licenses are issued for 30 percent of the F.O.B. value of the exports. Import duties are payable on inputs imported under these licenses and like Replenishment Licenses, they may not be issued to exporters utilizing Advance Licenses to import inputs.

Because the companies received these licenses based on their status as exporters, we preliminarily determine that the sale of these licenses is countervailable. See the 1988 and 1989 *Indian Castings Final Results*. There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability.

Since companies receive Additional Licenses and Special Exim Licenses based on their total export earnings from the previous year, we calculated the subsidies by dividing the total amount of proceeds a company received from sales of Additional Licenses and Special Exim Licenses by the total value of its exports of all products to all markets.

Companies receive Replenishment Licenses and Exim Scrip Licenses based on individual export shipments. Since the Replenishment Licenses and Exim Scrip Licenses sold by exporters during the review period were for non-subject merchandise, we do not consider these sales to have benefitted exports of the subject merchandise.

We preliminarily determine the net subsidy from the sale of Additional and Special Exim Licenses to be 0.08 percent *ad valorem* for all manufacturers and exporters in India of

certain iron-metal castings, except for Kajaria and Dinesh which have significantly different aggregate benefits. The net subsidy for Kajaria is 0.09 percent *ad valorem*. The net subsidy for Dinesh is 0.00 percent *ad valorem*.

II. Program Preliminary Found Not To Confer Subsidies Advance Licenses

The purpose of the advance license is to allow an importer to import raw materials used in the production of an exported product without first having to pay duty. Companies importing under advance licenses are obligated to export the products made using the duty-free imports.

During the review period, eight of the respondent castings manufacturers/exporters used advance licenses to import pig iron, an input which is physically incorporated into the subject iron-metal castings exported to the United States. Item (i) of the Illustrative List specifies that the remission or drawback of import duties levied on imported goods that are physically incorporated into an exported product is not a countervailable subsidy, if the remission or drawback is not excessive. We consider respondents' use of advance licenses to be the equivalent of a duty drawback scheme. That is, they used the licenses in order to import, net of duty, raw materials which were physically incorporated into the exported products. Since the amount of raw materials imported was not excessive vis-a-vis the products exported, we preliminarily determine that use of the advance licenses was not countervailable. See the 1988 and 1989 *Indian Castings Final Results*, and the *Final Affirmative Countervailing Duty Determination: Steel Wire Rope from India (Steel Wire Rope)*, (56 FR 46293, September 11, 1991).

III. Programs Preliminary Found Not To Be Used

We also examined the following programs and preliminarily determine that exporters of certain iron-metal castings did not apply for or receive benefits under these programs with respect to exports of the subject merchandise to the United States during the review period: (1) Market Development Assistance; (2) the International Price Reimbursement Scheme; (3) Falta Free Trade Zones and Other Free Trade Zones Program; (4) Preferential Freight Rates; (5) Preferential Diesel Fuel Program; and (6) 100 Percent Export-Oriented Units Program.

IV. Program Preliminary Found To Be Terminated

During the 1990 review, we verified that the GOI terminated the CCS program effective July 3, 1991. (See the Verification of the Government of India (GOI) Questionnaire Responses for the 1990 Administrative Review of the Countervailing Duty Order on Certain Iron-Metal Castings from India (public version) dated December 13, 1993, located in the Central Records Unit, room B-099, Department of Commerce). However, exporters have two years in which to file applications for CCS rebates for exports made prior to July 3, 1991. We have found no evidence of any residual benefits during this review period. Therefore, we preliminarily determine that exporters of certain iron-metal castings did not apply for or receive benefits under this program with respect to exports of the subject merchandise to the United States during the review period.

Preliminary Results of Review

For the period January 1, 1992 through December 31, 1992, we preliminarily determine the net subsidy to be 12.93 *ad valorem* for Kajaria; 0.00 percent for Dinesh; and 3.54 percent *ad valorem* for all other companies. If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service to assess the following countervailing duties at the above percentages of the f.o.b. invoice price on shipments of the subject merchandise exported on or after January 1, 1992, and on or before December 31, 1992. Because the total net subsidy for Dinesh Brothers Pvt., Ltd, is determined to be zero, we intend to instruct the Customs Service not to assess countervailing duties on shipments of the subject merchandise with respect to that company.

Parties to the proceeding may request disclosure of the calculation methodology and interested parties may request a hearing not later than 10 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the day of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted seven days after the time limit for filing the case brief. Any hearing, if requested, will be held seven days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR § 355.38(e).

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than ten days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under section 355.38(c) of the Department's regulations, are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

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 § 355.22.

Dated: August 18, 1995.

Susan G. Esserman,
Assistant Secretary for Import
Administration.

[FR Doc. 95-21433 Filed 8-28-95; 8:45 am]

BILLING CODE 3510-DS-P

[C-533-063]

Certain Iron-Metal Castings From India: 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 January 24, 1995, the Department of Commerce (the Department) published in the **Federal Register** its preliminary results of administrative review of the countervailing duty order on Certain Iron-Metal Castings From India for the period January 1, 1991 to December 31, 1991. We have completed this review and determine the net subsidies to be 0.00 percent *ad valorem* for Dinesh Brothers, Pvt. Ltd., 41.75 percent for Super Castings (India) Pvt. Ltd., 16.14 percent for Kajaria Iron Castings Pvt. Ltd., and 5.53 percent *ad valorem* for all other companies. We will instruct the U.S. Customs Service to assess countervailing duties as indicated above.

EFFECTIVE DATE: August 29, 1995.

FOR FURTHER INFORMATION CONTACT: Robert Copyak and Alexander Braier, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-2786.

SUPPLEMENTARY INFORMATION:

Background

On January 24, 1995 the Department published in the **Federal Register** (60 FR 4596) the preliminary results of its administrative review of the countervailing duty order on Certain Iron-Metal Castings From India. The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

We invited interested parties to comment on the preliminary results. On February 23, 1995, case briefs were submitted by the Municipal Castings Fair Trade Council (MCFTC) (petitioners), and the Engineering Export Promotion Council of India (EETPC) and individually-named producers of the subject merchandise which exported iron-metal castings to the United States during the review period (respondents). On March 2, 1995, rebuttal briefs were submitted by the MCFTC and the EETPC. The comments addressed in this notice were presented in the case briefs.

The review covers the period January 1, 1991 through December 31, 1991. The review involves 14 companies and the following programs:

- (1) Pre-shipment export financing
- (2) Post-shipment export financing
- (3) Income tax deductions under Section 80HHC
- (4) Cash Compensatory Support (CCS) Program
- (5) Sale of Import Licenses
- (6) Advance Licenses
- (7) Market Development Assistance
- (8) International Price Reimbursement Scheme
- (9) Free Trade Zones
- (10) Preferential Freight Rates
- (11) Preferential Diesel Fuel Program
- (12) 100 Percent Export-Oriented Units Program

Applicable Statute and Regulations

The Department is conducting this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994. However, references to the Department's Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments, 54 FR 23366 (May 31, 1989) (Proposed Rules), are provided solely for further explanation of the Department's countervailing duty practice. Although the Department has withdrawn the particular rulemaking proceeding pursuant to which the Proposed Rules

were issued, the subject matter of these regulations is being considered in connection with an ongoing rulemaking proceeding which, among other things, is intended to conform the Department's regulations to the Uruguay Round Agreements Act. See 60 FR 80 (Jan. 3, 1995).

Scope of the Review

Imports covered by the review are shipments of Indian manhole covers and frames, clean-out covers and frames, and catch basin grates and frames. These articles are commonly called municipal or public works castings and are used for access or drainage for public utility, water, and sanitary systems. During the review period, such merchandise was classifiable under the Harmonized Tariff Schedule (HTS) item numbers 7325.10.0010 and 7325.10.0050. The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Calculation Methodology for Assessment and Cash Deposit Purposes

Pursuant to Ceramica Regiomontana, S.A. v. United States, 853 F. Supp. 431, 439 (CIT 1994), the Department is required to calculate a country-wide CVD rate, *i.e.*, the all-other rate, by "weight averaging the benefits received by all companies by their proportion of exports to the United States, inclusive of zero rate firms and *de minimis* firms." Therefore, we first calculated a subsidy rate for each company subject to the administrative review. We then weight-averaged the rate received by each company using as the weight its share of total Indian exports to the United States of subject merchandise. We then summed the individual companies' weight-averaged rates to determine the subsidy rate from all programs benefitting exports of subject merchandise to the United States.

Since the country-wide rate calculated using this methodology was above *de minimis*, as defined by 19 CFR 355.7 (1994), we proceeded to the next step and examined the net subsidy rate calculated for each company to determine whether individual company rates differed significantly from the weighted-average country-wide rate, pursuant to 19 CFR 355.22(d)(3). Three companies (Dinesh Brothers, Pvt. Ltd., Super Castings (India) Pvt. Ltd., and Kajaria Iron Castings Pvt. Ltd.) received significantly different net subsidy rates during the review period pursuant to 19 CFR 355.22(d)(3). These companies are treated separately for assessment and cash deposit purposes. All other