

The Petition

On September 8, 1995, the Department of Commerce (the Department) received a petition filed in proper form by Marley Mouldings, Inc. (the petitioner), a producer of foam extruded polyvinyl chloride (PVC) and polystyrene framing stock. A supplement to the petition was filed on September 22, 1995.

In accordance with section 732(b) of the Act, the petitioner alleges that imports of foam extruded PVC and polystyrene framing stock from the United Kingdom are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, a U.S. industry.

The petitioner states that they have standing to file the petition because they are interested parties, as defined under section 771(9)(C) of the Act.

Determination of Industry Support for the Petition

Section 732(c)(4)(A) of the Act requires the Department to determine, prior to the initiation of an investigation, that a minimum percentage of the domestic industry supports an antidumping petition. A petition meets these minimum requirements if (1) the domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product; and (2) the domestic producers or workers who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition.

A review of the production data provided in the petition and other information readily available to the Department indicates that the petitioner accounts for more than 25 percent of the total production of the domestic like product and for more than 50 percent of that produced by companies expressing support for, or opposition to, the petition. The Department received no expressions of opposition to the petition from any interested party. Accordingly, the Department determines that the petition is supported by the domestic industry.

Scope of the Investigations

For purposes of these investigations, all extruded PVC and polystyrene framing stock regardless of color, finish, width or length. Finished frames

assembled from foam extruded PVC and polystyrene framing stock are excluded. The merchandise under investigation is currently classifiable under HTS subheadings 3924.90.20.00; 3926.90.90.90; 3926.90.95.90; and 3926.90.98.90. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these investigations is dispositive.

Export Price and Normal Value

Export price was based on a price list from a U.K. producer with the terms of sale on delivered basis. The petitioner made adjustments to the export prices for foreign inland freight, handling, ocean freight, marine insurance, U.S. brokerage, U.S. duties, and U.S. inland freight.

Normal value was based on the same price list, also with the terms of sale on a delivered basis. The petitioner made adjustments to the normal value for foreign inland freight.

Based on comparisons of export price to normal value, the calculated dumping margins for foam extruded PVC and polystyrene framing stock from the United Kingdom range from 20.82 percent to 48.96 percent.

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of foam extruded PVC and polystyrene framing stock from the United Kingdom are being, or likely to be, sold at less than fair value.

Initiation of Investigations

We have examined the petition on foam extruded PVC and polystyrene framing stock and have found that it meets the requirements of section 732 of the Act, including the requirements concerning allegations of the material injury or threat of material injury to the domestic producers of a domestic like product by reason of the complained-of imports, allegedly sold at less than fair value. Therefore, we are initiating an antidumping duty investigation to determine whether imports of foam extruded PVC and polystyrene framing stock from the United Kingdom are being, or are likely to be, sold in the United States at less than fair value. Unless extended, we will make our preliminary determination by February 15, 1996.

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act, copies of the public versions of the petition have been provided to the representatives of the government of the United Kingdom.

We will attempt to provide copies of the public versions of the petition to all the exporters named in the petition.

International Trade Commission (ITC) Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination by the ITC

The ITC will determine by October 23, 1995, whether there is a reasonable indication that imports of foam extruded PVC and polystyrene framing stock from the United Kingdom are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination will result in the investigation being terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act.

Dated: September 28, 1995.

Susan G. Esserman,
Assistant Secretary for Import Administration.

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BILLING CODE 3510-DS-P

[C-549-802]

Ball Bearings and Parts Thereof From Thailand; 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 8, 1995, the Department of Commerce (the Department) published in the Federal Register its preliminary results of administrative review of the countervailing duty order on *Ball Bearings and Parts Thereof from Thailand* for the period January 1, 1992 through December 31, 1992. We have completed this review and determine the net subsidy to be 4.29 percent *ad valorem* for all companies. We will instruct the U.S. Customs Service to assess countervailing duties as indicated above.

EFFECTIVE DATE: October 6, 1995.

FOR FURTHER INFORMATION CONTACT: Robert Copyak or Kelly Parkhill, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution

Avenue, NW., Washington, DC 20230; telephone: (202) 482-2786.

SUPPLEMENTARY INFORMATION:

Background

On May 8, 1995, the Department published in the Federal Register (60 FR 22563) the preliminary results of its administrative review of the countervailing duty order on *Ball Bearings and Parts Thereof from Thailand*. 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 June 7, 1995, a case brief was submitted by Pelmech Thai Ltd., NMB Thai Ltd., and NMB Hi-Tech Ltd. (three related companies, hereinafter the Minebea Group), producers/exporters of the subject merchandise during the review period (respondents). On June 14, 1995, a rebuttal brief was submitted by the Torrington Company (petitioner). The review covers the period January 1, 1992 through December 31, 1992. The review involves the Minebea Group of companies, which accounts for virtually all exports of subject merchandise from Thailand, and nine programs.

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 Regulations*), 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 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 (Jan. 3, 1995).

Scope of the Review

Imports covered by this review are ball bearings and parts thereof. Such merchandise is described in detail in Appendix A to this notice. The *Harmonized Tariff Schedule* (HTS) item numbers listed in Appendix A are

provided for convenience and Customs purposes. The written description remains dispositive.

Calculation Methodology for Assessment and Cash Deposit Purposes

In the first administrative review, respondents claimed that the F.O.B. value of the subject merchandise entering the United States is greater than the F.O.B. price charged by the companies in Thailand (57 FR 26646; June 15, 1992). They explained that this discrepancy is due to a mark-up charged by the parent company, located in a third country, through which the merchandise is invoiced. However, the subject merchandise is shipped directly from Thailand to the United States and is not transshipped, combined with other merchandise, or repackaged with other merchandise. In other words, for each shipment of subject merchandise, there are two invoices and two corresponding F.O.B. export prices: (1) the F.O.B. export price at which the subject merchandise leaves Thailand, and on which subsidies from the Royal Thai Government (RTG) are earned by the companies, and upon which the subsidy rate is calculated; and (2) the F.O.B. export price which includes the parent company mark-up, and which is listed on the invoice accompanying the subject merchandise as it enters the United States, and upon which the cash deposits are collected and the countervailing duty is assessed. Respondents argued that the calculated *ad valorem* rate should be adjusted by the ratio of the export value from Thailand to the export value charged by the parent company to the U.S. customer so that the amount of countervailing duties collected would reflect the amount of subsidies bestowed. The Department agreed and made this adjustment in the first and second administrative reviews (57 FR 26646; June 15, 1992; and 58 FR 36392; July 7, 1993).

In the present review, we again verified, on a transaction-specific basis, the direct correlation between the invoice which reflects the F.O.B. price on which the subsidies are earned and the invoice which reflects the marked-up price that accompanies each shipment as it enters the United States. Since the mark-up is not part of the export value upon which the respondents earn bounties or grants, the Department has followed the methodology adopted in the first and second administrative reviews, and calculated the *ad valorem* subsidy rate as a percentage of the original export value from Thailand, multiplied by the adjustment ratio—the original export

value from Thailand divided by the marked-up value of the same goods entering the United States.

We did not calculate a separate rate for each company because NMB Thai, Pelmech, and NMB Hi-Tech are wholly owned by one parent company, and are therefore related. As a result of this relationship, we considered the three companies as one corporate entity in our calculations. We calculated the bounty or grant by first totaling the benefits received by the three companies for each program used. Dividing these sums by total Thai export value for the three companies, we calculated the unadjusted bounty or grant for each program used. As described above, we adjusted these rates by multiplying them by the ratio of the original export price from Thailand to the marked-up price of the same goods entering the United States. Finally, we summed the adjusted bounty or grant for each program, to arrive at the total country-wide bounty or grant.

Analysis of Programs

Based upon our analysis of responses to our questionnaire and written comments from the interested parties, we determine the following:

I. Programs Conferring Subsidies

In the preliminary results, we found the following programs to be countervailable:

- A. Investment Promotion Act (IPA) of 1977—Sections 31, 28, and 36(1)—4.27 percent *ad valorem*
- B. Electricity Discounts for Exporters—0.02 percent *ad valorem*

Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings in the preliminary results.

II. Programs Found Not To Be Used

In the preliminary results, we found that the Minebea Group did not apply for or receive benefits under the following programs during the period of review:

- A. Tax Certificates for Exporters
- B. Export Packing Credits
- C. Rediscount of Industrial Bills
- D. Export Processing Zones
- E. IPA—Sections 33 and 36(4)
- F. Reduced Business Taxes for Producers of Intermediate Goods for Export Industries
- G. International Trade Promotion Fund

Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings in the preliminary results.

Analysis of Comments

Comment: Respondents argue that the Department should adjust the calculations of the net subsidy and the deposit rate to account for the RTG's liftings of the export requirements for the Board of Investment Certificates of Promotion (BOI licenses) issued under the IPA program to the Minebea Group companies NMB Thai and NMB Hi-Tech and, with one exception, the BOI licenses issued to Minebea Group subsidiary Pelmec Thai. They argue that these liftings of requirements constitute a program-wide change as defined by section 355.50 of the *Notice of Proposed Rulemaking and Request for Public Comments*, 54 FR 23366, 23385 (May 31, 1989). See Respondents' Case Brief, page 2. They request that the Department deduct the amount of the benefits related to these liftings from the calculation of the net subsidy for the review period and consider for cash deposit purposes only the proportion of the production related to the one BOI license issued to Pelmec Thai for which the RTG did not lift the export requirements.

Petitioners argue that the Department should not adjust its calculations of the net subsidy and the deposit rate because (1) The removal of some export requirements in the BOI licenses did not eliminate all export requirements or constitute a program-wide change, and (2) the Thai government did not terminate the IPA program.

Department's Position: Under the IPA program, benefits are transmitted to IPA recipients through the recipients' BOI licenses. BOI licenses pertain to a promoted activity and list the IPA benefits for which the recipient is eligible, and the various conditions that must be met in order to receive those benefits. Although the BOI has lifted some of the export conditions for several of the Minebea Group's BOI licenses, IPA licensing benefits were nonetheless tied to export performance.

The Minebea Group has several BOI licenses pertaining to ball bearings. In January 1990, producers of electronic parts (BOI Category 4.6) became eligible to apply for the lifting of export requirements for their BOI licenses. Since ball bearings used in electronic products (electronic ball bearings) are classified under BOI Category 4.6, the Minebea Group applied for the lifting of export requirements for its BOI licenses pertaining to electronic ball bearings. The BOI awarded such liftings for several of the Minebea Group's BOI licenses, but the fact that the RTG only lifted the export requirements for certain IPA benefits applicable to

certain types of ball bearings undermines respondents' argument that a program-wide change has taken place with respect to the IPA program as it applies to the subject merchandise.

Moreover, IPA licensing benefits received by the Minebea Group were tied to export performance. The IPA clearly states that the import duty exemption benefits under Section 36(1) (which is contained in licenses held by all three of the Minebea Group of companies) are conditional upon export of the final product, and these conditions were not lifted. With regard to benefits received under Section 31 (which exempts companies from payment of corporate income tax on profits derived from promoted activities), export requirements were in place during the tax year covered by the tax returns filed during the POR. That, in 1992 and 1993, the BOI retroactively lifted the export requirements of certain licenses does not change the fact that the Minebea Group of companies had to export the subject merchandise in order to claim benefits under Section 31. A similar argument holds for benefits received under Section 28.¹

At the time its fixed assets were imported, most of the Minebea Group's licenses contained export requirements as a condition of receiving Section 28 benefits.

Not all of the BOI liftings were based upon BOI Category status. The export requirements for one of the Minebea Group's BOI licenses were lifted based on the fact that one of the Minebea Group's subsidiaries had a long-standing export history. Thus, the continued receipt of the benefits is contingent upon the fact that the company had an export history. Had the company been unable to demonstrate a history of export performance, the export requirements could not have been lifted under this decree.

¹ Prior to the review period, IPA Section 28 allowed companies to import fixed assets free of import duties, the business tax and the local tax. However, effective January 1, 1992, the RTG eliminated both the business tax and the local tax and instituted a value added tax (VAT) system.

In the preliminary results of this administrative review, the Department determined that the exemption of the VAT on imports of fixed assets under Section 21(4) of the VAT Act does not constitute a countervailable benefit to the companies specified in Section 21(4). See *Ball Bearings and Parts Thereof from Thailand* (60 FR 22563). Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change this finding or our finding that the exemptions of import duties on fixed assets under Section 28 continue to provide countervailable benefits. However, as stated in the preliminary results, the Department will continue to examine provisions of the VAT Act, including Section 21(4), in future administrative reviews to ascertain that no countervailable benefits are being provided to manufacturers of subject merchandise.

Section 355.50 of the *Proposed Regulations* states that the term "program-wide change" means a change that is (1) not limited to an individual firm or firms and (2) effectuated by an official act, such as the enactment of a statute, regulation, or decree, or contained in the schedule of an existing statute, regulation, or decree. Since the changes in export requirements by the BOI were only for companies that had licenses for BOI Category 4.6 products and they had to be requested and approved on a license-by-license basis rather than applicable across the board, the BOI's actions do not constitute a program-wide change.

In conclusion, we will continue to countervail IPA licensing benefits received under Sections 36(1), 31, and 28. The RTG's liftings of certain export requirements for certain BOI licenses held by the Minebea Group do not constitute the outright elimination of export conditions with respect to the subject merchandise. Rather, IPA benefits continue to be contingent upon export performance with respect to ball bearings, the class or kind of merchandise subject to the countervailing duty order. As discussed above, export requirements were in place as a specific condition with respect to Section 36(1) benefits, and export performance criteria continued to exist with respect to the class or kind of merchandise for both Section 31 and Section 28 benefits. Furthermore, that producers of electronic parts were able to apply for and attain liftings of export requirements from certain BOI licenses does not constitute a program-wide change in the IPA program with respect to the subject merchandise covered in this review, ball bearings.

Final Results of Review

For the period January 1, 1992, through December 31, 1992, we determine the net subsidy to be 4.29 *ad valorem* for all companies. The Department will instruct the U.S. Customs Service to assess the following countervailing duties:

Manufacturer/exporter	Rate
All Companies	4.29

The Department will instruct the U.S. Customs Service to collect a cash deposit of estimated countervailing duties of 4.29 percent of the f.o.b. invoice price on all shipments of the subject merchandise from all companies.

This notice 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 C.F.R. 355.34(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 355.22.

Dated September 29, 1995.

Susan G. Esserman,
Assistant Secretary for Import
Administration.

Appendix A

Scope of the Review

The products covered by this review, ball bearings, mounted or unmounted, and parts thereof, are described below.

Ball Bearings, Mounted or Unmounted, and Parts Thereof

These products include all antifriction bearings which employ balls as the rolling element. During the review period, imports of these products were classifiable under the following categories: antifriction balls; ball bearings with integral shafts; ball bearings (including radial ball bearings) and parts thereof; ball bearing type pillow blocks and parts thereof; ball bearing type flange, take-up, cartridge, and hanger units, and parts thereof; and other bearings (except tapered roller bearings) and parts thereof. Wheel hub units which employ balls as the rolling element are subject to the review. Finished but unground or semiground balls are not included in the scope of this review. Imports of these products are currently classifiable under the following HTS item numbers: 8482.10.10, 8482.10.50, 8482.80.00, 8482.91.00, 8482.99.10, 8482.99.70, 8483.20.40, 8483.20.80, 8483.30.40, 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, 8708.99.50.

This review covers all of the subject bearings and parts thereof outlined above with certain limitations. With regard to finished parts (inner race, outer race, cage, rollers, balls, seals, shields, etc.), all such parts are included in the scope of this review. For unfinished parts (inner race, outer race, rollers, balls, etc.), such parts are included if (1) they have been heat treated, or (2) heat treatment is not required to be performed on the part. Thus, the only unfinished parts that are not covered by this review are those where the part will be subject to heat treatment after importation.

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[C-549-802]

Ball Bearings and Parts Thereof From Thailand; 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 August 16, 1995, the Department of Commerce (the Department) published in the Federal Register its preliminary results of administrative review of the countervailing duty order on *Ball Bearings and Parts Thereof from Thailand* for the period January 1, 1993 through December 31, 1993. We have completed this review and determine the net subsidy to be 4.85 percent *ad valorem* for all companies. We will instruct the U.S. Customs Service to assess countervailing duties as indicated above.

EFFECTIVE DATE: October 6, 1995.

FOR FURTHER INFORMATION CONTACT: Robert Copyak or Kelly Parkhill, 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 August 16, 1995, the Department published in the Federal Register (60 FR 42532) the preliminary results of its administrative review of the countervailing duty order on *Ball Bearings and Parts Thereof from Thailand*. 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 September 15, 1995, a case brief was submitted by Pelmech Thai Ltd., NMB Thai Ltd., and NMB Hi-Tech Ltd. (three related companies, hereinafter the Minebea Group), producers/exporters of the subject merchandise during the review period (respondents). On September 15, 1995, a case brief was submitted by the Torrington Company (petitioner). On September 22, 1995, a rebuttal brief was submitted by respondents. The review covers the period January 1, 1993 through December 31, 1993. The review involves the Minebea Group of companies, which accounts for virtually all exports of

subject merchandise from Thailand, and nine programs.

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 Regulations*), 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 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 (Jan. 3, 1995).

Scope of the Review

Imports covered by this review are ball bearings and parts thereof. Such merchandise is described in detail in Appendix A to this notice. The *Harmonized Tariff Schedule* (HTS) item numbers listed in Appendix A are provided for convenience and Customs purposes. The written description remains dispositive.

Calculation Methodology for Assessment and Cash Deposit Purposes

In the first administrative review, respondents claimed that the F.O.B. value of the subject merchandise entering the United States is greater than the F.O.B. price charged by the companies in Thailand (57 FR 26646; June 15, 1992). They explained that this discrepancy is due to a mark-up charged by the parent company, located in a third country, through which the merchandise is invoiced. However, the subject merchandise is shipped directly from Thailand to the United States and is not transshipped, combined with other merchandise, or repackaged with other merchandise. In other words, for each shipment of subject merchandise, there are two invoices and two corresponding F.O.B. export prices: (1) the F.O.B. export price at which the subject merchandise leaves Thailand, and on which subsidies from the Royal Thai Government (RTG) are earned by the companies, and upon which the