

the Italian lira generally remained constant or depreciated against the U.S. dollar during the POI.

Verification

As provided in section 782(i) of the Act, we will verify all information determined to be acceptable for use in making our final determination.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all entries of certain pasta from Italy, that are entered, or withdrawn from warehouse for consumption, on or after the date of publication of this notice in the Federal Register. Normally, we would instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds the export price, as indicated in the chart below. However, the product under investigation is also subject to concurrent countervailing duty investigation. Article VI.5 of the General Agreement on Tariffs and Trade (GATT) provides that "[n]o product * * * shall be subject to both antidumping and countervailing duties to compensate for the same situation of dumping or export subsidization." This provision is implemented by section 772(c)(1)(C) of the Act. Since antidumping duties cannot be assessed on the portion of the margin attributed to export subsidies, there is no reason to require a cash deposit or bond for that amount.

The Department has determined, in its *Preliminary Affirmative Countervailing Duty Determination: Certain Pasta from Italy* (60 FR 53747 (October 17, 1995)), that the product under investigation benefitted from export subsidies. To obtain the most accurate estimate of antidumping duties, and to fulfill our international obligations arising under the GATT, we are subtracting, for deposit purposes, the cash deposit rate attributable to the export subsidies found in the countervailing duty investigation. (For Arrighi 0.62, Delverde 0.77, and La Molisana 0.08 percent.) We are also subtracting from the "All Others" rate the cash deposit rate attributable to the export subsidies included in the countervailing duty investigation for the All Others rate, 0.20 percent. In keeping with Article of 17.4 of the WTO Agreement on Subsidies and Countervailing Measures, the Department will terminate the suspension of liquidation in the companion countervailing duty investigation of *Certain Pasta From Italy*, effective February 14, 1995, which

is 120 days after the date of publication of the preliminary determination. Accordingly, on February 14, 1996, the antidumping deposit rate will revert to the full amount calculated in this preliminary determination. These suspension of liquidation instructions will remain in effect until further notice.

Exporter/Manufacturer	Weighted-average margin percentage	Bonding percentage
Arrighi	0.06	0.00
De Cecco *	46.67	46.67
Delverde	0.06	0.00
De Matteis	22.15	22.15
La Molisana	14.83	14.03
Liguori	12.85	12.85
Pagani	0.14	0.00
All Others	15.85	15.56

* Facts Available Rate.

Pursuant to section 775(c)(5)(A) of the Act, the Department has excluded all zero and *de minimis* weighted-average dumping margins and margins determined entirely under section 776 of the Act, from the calculation of the All Others rate.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Public Comment

Case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than April 1, 1996, and rebuttal briefs, no later than April 4, 1996. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on April 8, 1996, the time and place to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is

requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099, within ten days of the publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by 135 days after the publication of this notice in the Federal Register.

This determination is published pursuant to section 733(f) of the Act.

Dated: December 14, 1995.

Susan G. Esserman,

Assistant Secretary for Import Administration.

[FR Doc. 96-457 Filed 1-18-96; 8:45 am]

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[A-489-805]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Pasta From Turkey

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

EFFECTIVE DATE: January 19, 1996.

FOR FURTHER INFORMATION CONTACT: John Brinkmann or Michelle Frederick, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-5288 or (202) 482-0186, respectively.

The Applicable Statute

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

Preliminary Determination

We determine that there is a reasonable basis to believe or suspect that certain pasta (pasta) from Turkey is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

Case History

Since the initiation of this investigation on June 1, 1995 (60 FR 30268, June 8, 1995), the following events have occurred:

On June 26, 1995, the United States International Trade Commission (ITC) issued an affirmative preliminary injury determination in this case (see ITC Investigation No. 731-TA-734).

On July 10, 1995, the Department of Commerce (the Department) determined that, due to limited resources, we would only be able to analyze the responses of the two largest exporters of pasta to the United States. The following two companies were named as mandatory respondents in this investigation: Filiz Gida Sanayii ve Ticaret A.S. (Filiz) and Maktas Makarnacilik ve Ticaret A.S. (Maktas). For a further discussion, see the "Mandatory and Voluntary Respondent Selection" section of this notice. In accordance with 19 CFR 353.42(b), we issued antidumping duty questionnaires concerning Sections A, B, C, and D of the questionnaire to the two mandatory respondents on July 12, 1995. Section A of the questionnaire requests general information concerning the company's corporate structure and business practices, the merchandise under investigation that it sells, and the sales of that merchandise in all markets. Sections B and C of the questionnaire request home market sales listings and U.S. sales listings. Section D of the questionnaire requests information regarding the cost of production of the foreign like product and the constructed value of the merchandise under investigation.

The respondents submitted questionnaire responses in August and September, 1995. The Department issued supplemental questionnaires in September and October, 1995. Responses to these questionnaires were received in October and November, 1995.

On August 25, 1995, the Department determined this investigation to be extraordinarily complicated due to the complexity of the transactions and novel issues presented as a result of this investigation being one of the first cases conducted since the implementation of the URAA. Consequently, the Department postponed the preliminary determination until no later than December 8, 1995 (60 FR 45154, August 30, 1995) (extended six additional calendar days to December 14, 1995 because of the federal government shutdown).

On October 11, 1995, the petitioners submitted a letter requesting that the Department treat Maktas and certain of

its customers as affiliated parties pursuant to section 771(33) of the Act. The Department has determined, for the purposes of this preliminary determination, that there is no information on record to support the petitioners' claim that Maktas and certain of its customers should be treated as affiliated parties (see Concurrence Memorandum dated December 14, 1995).

Mandatory Respondent Selection

Section 777A(c) of the Act states that the Department shall calculate an individual dumping margin for each known exporter or producer of the subject merchandise, except where this approach is not practicable due to the large number of exporters or producers. Under this exception, the Department may limit its examination to: (1) A sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection; or (2) exporters or producers accounting for the largest volume of the subject merchandise from the exporting country that can be reasonably examined. Section 353.44(b)(1) of the Department's regulations states that the Department will normally examine not less than 60% of the volume or value of sales, while section 353.59(b)(1) provides for sampling when a significant volume of sales is involved.

The petitions filed against pasta from Italy and Turkey, listed 73 Italian companies and 15 Turkish companies as possible producers or exporters of pasta to the United States. Other information available to the Department indicated an equally large number of producers or exporters. Since, at the time of respondent selection, there was insufficient information on the record to employ statistically valid sampling techniques, the Department focused its selection on the producers and exporters accounting for the largest volume of exports to the United States (see *Sweaters Wholly or in Chief Weight of Man-Made Fiber from Taiwan* (58 FR 34585, (August 23, 1990)) and *Fresh Cut Roses from Colombia and Ecuador*. (60 FR 13958, (March 15, 1995)). Based on the administrative resources available to the Department and the anticipated inclusion of many complex issues related to new provisions of the Act, it was determined that the maximum total number of companies that could be handled in the parallel pasta investigations was ten. In a subsequent analysis of the volume of exports of individual companies from Italy and Turkey, it was determined that investigating ten companies would

allow the Department to investigate 45 percent of the volume of exports from each country. In Italy, 45 percent was attained with the eight largest companies, while in Turkey 45 percent was attained with the two largest companies. A complete analysis of the respondent selection process is contained in a July 7, 1995, decision memorandum from Gary Taverman to Barbara Stafford.

Voluntary Respondents

Section 782(a) of the Act states that individual rates shall be calculated for firms which voluntarily provide information, except where the number for all such respondents is so large that the calculation of individual dumping margins for all such respondents would be unduly burdensome and would prevent the timely completion of the investigation. Based on the same reasoning that led the Department to limit the number of respondents in the investigations to ten companies (*i.e.* the large number of companies and administrative resource constraints), the Department determined that no voluntary respondents could be accepted unless one of the mandatory respondents did not participate. (See the July 7, 1995, decision memorandum from Gary Taverman to Barbara Stafford.) Potential voluntary respondents were provided with specific written guidance on the Department's criteria for including a voluntary respondent in the investigation. Ultimately, no voluntary respondent attempted to fulfill the Department's criteria for consideration.

Postponement of Final Determination

Pursuant to section 735(a)(2)(A) of the Act, on December 11, 1995, the respondents requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until 135 days after the publication of an affirmative preliminary determination in the Federal Register. In accordance with 19 CFR 353.20(b), because our preliminary determination is affirmative, the respondents account for a significant proportion of exports of the subject merchandise, and no compelling reasons for denial exist, we are granting respondents' request and postponing the final determination.

Scope of Investigation

The scope of this investigation consists of certain non-egg dry pasta in packages of five pounds (or 2.27 kilograms) or less, whether or not enriched or fortified or containing milk

or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastases, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by this scope is typically sold in the retail market, in fiberboard or cardboard cartons or polyethylene or polypropylene bags, of varying dimensions.

Excluded from the scope of this investigation are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white.

The merchandise under investigation is currently classifiable under item 1902.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Scope Issues

(1) On August 24, 1995, the petitioners requested that we expand the scope to cover all imports of non-egg dry pasta for the retail and the food service markets. We have determined that the scope should not be expanded. For a discussion of this decision, see *Preliminary Affirmative Countervailing Duty Determination: Certain Pasta from Turkey* (60 FR 53747, October 17, 1995) and Memorandum to Susan G. Esserman, Assistant Secretary for Import Administration dated October 10, 1995.

(2) On October 2, 1995, a U.S. importer of Italian pasta requested that the Department exclude "organic pasta" from the scope of the companion antidumping and countervailing duty investigations of certain pasta from Italy. If a similar request is made for Turkey, the Department will address it as stated in the *Preliminary Determination of Sales at Less Than Fair Value: Certain Pasta from Italy*.

Period of Investigation

The period of investigation (POI) is May 1, 1994, through April 30, 1995.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products sold in the home market, fitting the description specified in the "Scope of Investigation" section above, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed

in Appendix III of the Department's antidumping questionnaire.

Targeted Dumping

On October 20, 1995, the petitioners requested that, for all respondents, the Department compare the transaction specific export prices in the United States market to weighted-average normal values, in accordance with the "targeted dumping" provisions of section 777A(d)(1)(B) of the Act. The petitioners' allegation rested on an analysis of average retail prices of selected brands of pasta, rather than on the export or constructed export prices of the respondents which were already on the record in the investigation and thus available to the petitioners. This request was denied by the Department on November 8, 1995, on the grounds that the allegation did not meet the requirements of section 777(A)(d)(1)(B) because it was not: (1) Based on exporter specific prices; (2) exporter specific; and (3) based on examination of "comparable" merchandise. See Memorandum from the Pasta Team to Barbara R. Stafford dated November 8, 1995.

Level of Trade

As set forth in section 773(a)(7)(A) of the Act and in the Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, at 829-831, to the extent practicable, the Department will calculate normal values based on sales at the same level of trade as the U.S. sales. When the Department is unable to find sales in the comparison market at the same level of trade as the U.S. sale(s), the Department may compare sales in the U.S. and foreign markets at a different level of trade.

In accordance with section 773(a)(7)(A) of the Act, if sales at different levels of trade are compared, the Department will adjust the normal value to account for differences in levels of trade if two conditions are met. First, there must be differences between the selling functions performed by the seller at the different levels of trade. Second, the differences must affect price comparability as evidenced by a pattern of consistent price differences between sales at different levels of trade in the market in which normal value is determined. When constructed export price is applicable, section 773(a)(7)(B) of the Act establishes the procedures for making a constructed export price offset when: (1) Normal value is at a different level of trade, and (2) the data available do not provide an appropriate basis for a level of trade adjustment.

In order to identify levels of trade, the Department must review information concerning selling functions of the exporter. In addition, a respondent seeking to establish a level of trade adjustment must demonstrate the appropriateness of such an adjustment. Therefore, in addition to the questions related to the level of trade in our July 12, 1995, questionnaire, on October 23, 1995, we sent each respondent supplemental questions related to level of trade comparisons and adjustments. We asked each respondent to establish any claimed levels of trade based on selling functions performed and services offered to each customer or customer class, and to document and explain any claims for a level of trade adjustment.

Upon review of each respondent's submissions on level of trade, and other related information on the record, we identified one or both of the following difficulties: (1) Not all of the selling functions performed were identified; (2) although certain selling functions were assigned to specific groups of customers, not all customers in some identified groups were provided the service.

In light of these concerns, we reviewed each response to identify all types of selling functions, both claimed and unclaimed, that had been provided. We subsequently consolidated the selling functions into four broad categories related to the sale of pasta: (1) Freight and delivery services; (2) advertising; (3) maintaining finished goods inventories to fill customer orders; and (4) other service programs (primarily handling rebate and warranty claims). We then analyzed each respondent's submissions to determine which selling function categories applied to each pasta sale made in the U.S. and Turkish market. We did this based on both the selling expenses reported for that transaction and the respondent's narrative descriptions. Finally, we created a computer program that assessed, on a transaction specific basis, whether or not services corresponding to the four selling function categories were provided.

To the extent practicable, we compared normal value at the same level of trade as the U.S. sale (as indicated by the level of trade codes established in the computer program). Where comparisons at the same level of trade were not possible, we attempted a comparison at the next most comparable level of trade. Any remaining unmatched U.S. sales were compared to sales in the comparison market without regard to level of trade.

Both Turkish respondents, Maktas and Filiz claimed a level of trade

adjustment for comparisons between different levels of trade. However, these level of trade adjustments were not allowed because none of the claimed adjustments were based on price differences between the two levels of trade.

The level of trade methodology employed by the Department in this preliminary determination is based on the facts particular to this investigation. As stated above, there is a new emphasis on function of the seller in determining level of trade, as well as new conditions for a level of trade comparison or adjustment. The Department intends, where appropriate, to request additional information prior to verification for its continuing analysis of this issue. The Department will continue to examine its policy for making level of trade comparisons and adjustments.

Fair Value Comparisons

To determine whether sales of pasta by the two Turkish respondents to the United States were made at less than fair value, we compared the Export Price (EP) to the Normal Value (NV), as described in the "Export Price" and "Normal Value" sections of this notice. In accordance with section 777A(d)(1)(A)(i), we calculated weighted-average EPs for comparisons to weighted-average NVs.

Turkey experienced an inflation rate of over 75 percent during the POI, as measured by the wholesale price index published in International Financial Statistics. In past cases, we have found economies with annual inflation rates of over 50 percent to be hyperinflationary. (See, e.g., *Final Determination of Sales at Less Than Fair Value: Ferrosilicon From Brazil*, 59 FR 732, January 6, 1994.) We determined, therefore, that Turkey's economy was hyperinflationary during the POI. Accordingly, to avoid the distortions caused by the effects of hyperinflation on prices, we calculated EPs and NVs on a monthly average basis, rather than on a POI average basis.

Export Price

For both Filiz and Maktas we calculated EP in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation and Constructed Export Price (CEP) methodology was not otherwise warranted based on the facts of this investigation.

For Maktas, we based EP on packed, FOB Turkish port prices to unaffiliated customers in the United States. We

made deductions from the starting price (gross unit price), where appropriate, for foreign brokerage and handling and foreign inland freight. For Filiz we based EP on packed, FOB Turkish port and C&F prices charged to unaffiliated customers in the United States. We made deductions, where appropriate, for foreign brokerage and handling, foreign inland freight, foreign inland insurance, and ocean freight.

Normal Value

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared each respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Since each respondent's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales for the subject merchandise, we determined that the home market was viable for each respondent. Maktas reported one sale made during the POI to an affiliated party. Since this sale accounted for an insignificant portion of the total POI home market sales, we excluded this sale from our analysis. We calculated NV as noted in the "Price to Price Comparisons" and "Price to CV Comparisons" sections of this notice.

Cost of Production Analysis

Based on the allegation contained in the petition, the Department found reasonable grounds to believe or suspect that sales in the home market were made at prices below the cost of producing the merchandise. As a result, the Department initiated investigations to determine whether the respondents made home market sales during the POI at prices below their respective cost of production (COP) within the meaning of section 773(b) of the Act. (See *Initiation of Antidumping Duty Investigations: Certain Pasta from Italy and Turkey*.)

A. Calculation of COP

We calculated the COP based on the sum of each respondent's cost of materials and fabrication for the foreign like product, plus amounts for home market selling, general, and administrative expenses (SG&A) and packing costs in accordance with section 773(b)(3) of the Act. As noted above, we determined that the Turkish economy was hyperinflationary during the POI. Therefore, in order to avoid the distortive effect of inflation on our comparison of costs and prices, we requested that respondents submit

monthly COP figures based on the current production costs incurred during each month of the POI. We relied on the respondents' COP amounts except in the following specific instances wherein the reported costs were improperly valued:

Maktas. (1) Maktas excluded amounts reported as "extraordinary" expenses on its financial statements from its reported COP and constructed value (CV) figures. These expenses were comprised of annual plant cleaning costs as well as other amounts, the nature of which the company did not disclose in its response to our July 12, 1995 questionnaire. We typically consider costs associated with normal plant and equipment maintenance to be part of the cost of manufacturing (COM) and have therefore included these expenses in our calculation of COP.

(2) Maktas reduced its reported interest expense by amounts received in connection with foreign exchange gains. The company did not respond to our October 13, 1995 request for additional information regarding the nature of these gains. We therefore excluded Maktas' reported foreign exchange gains from the company's net interest expense calculation.

Filiz. (1) Filiz calculated its net interest expense using amounts from its unconsolidated financial statements. Since the Department's normal practice is to calculate interest expense on a consolidated basis, we adjusted the company's reported net interest expense to include the interest expense incurred by Filiz's parent company.

(2) Filiz reduced its reported interest expense by amounts received in connection with foreign exchange gains. However, because Filiz sourced its production inputs domestically during the POI, and since the company did not disclose the nature of these amounts, we concluded that the foreign exchange gains related to sales of merchandise by the company rather than to its purchases of inputs for pasta production. We therefore excluded Filiz's reported foreign exchange gains from the company's net interest expense calculation.

B. Test of Home Market Prices

We used the respondents' adjusted monthly COP amounts and the wholesale price index from the government of Turkey's State Institute of Statistics to compute an annual weighted average COP for the POI. We compared the weighted-average COP figures to home market sales of the foreign like product as required under section 773(b) of the Act, in order to determine whether these sales had been

made at prices below COP. On a product specific basis, we compared the COP to the home market prices, less any applicable movement charges, rebates, and direct and indirect selling expenses.

C. Results of COP Test

Pursuant to section 773(b)(2)(c) where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product were at prices less than the COP, we disregarded only the below-cost sales where such sales were found to be made within an extended period of time (in accordance with section 773(b)(2)(D) of the Act) and at prices which would not permit the recovery of all costs within a reasonable period of time (in accordance with section 773(b)(2)(B) of the Act). For each respondent, where all sales of a specific product were at prices below the COP, we disregarded all sales of that product, and calculated NV based on CV, in accordance with section 773(a) of the Act.

We found that, for certain pasta products, more than 20 percent of each respondent's home market sales were sold at below COP within an extended period of time in substantial quantities. Further we did not find that the prices for these sales provided for the recovery of costs within a reasonable period of time. We therefore excluded these sales from our analysis and used the remaining above-cost sales as the basis of determining NV, in accordance with section 773(b)(1). For those pasta products for which there were no above-cost sales in the ordinary course of trade, we compared export prices to CV.

D. Calculation of CV

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of each respondent's cost of materials, fabrication, SG&A and U.S. packing costs as reported in the U.S. sales databases. In accordance with sections 773(e)(2)(A) we based SG&A and profit on the amounts incurred and realized by each respondent in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. We calculated each respondent's CV based on the methodology described in the calculation of COP above. For selling expenses, we used the weighted-average home market selling expenses.

Price to Price Comparisons

For those comparison products for which there were sales at prices above the COP, we based NV on home market prices. For Maktas, we calculated NV based on ex-warehouse or delivered prices to unaffiliated customers and made deductions, where appropriate, from the starting price for inland freight, inland insurance, discounts, and rebates. For Filiz, we calculated NV based on CIF prices to unaffiliated customers and made deductions, where appropriate, from the starting price for inland freight, inland insurance, discounts, and rebates. In accordance with section 773(a)(6) of the Act, we deducted home market packing costs and added U.S. packing costs for both respondents. In addition, for both respondents, we adjusted for differences in the circumstances of sale, in accordance with section 773(a)(6)(C)(iii) of the Act. These circumstances included differences in imputed credit expenses and advertising expenses. For both Filiz and Maktas, we recalculated credit expenses by deducting reported discounts from the gross unit price.

Price to CV Comparisons

Where, for Filiz, we compared CV to export prices, we deducted from CV the weighted-average home market direct selling expenses and added the weighted-average U.S. product-specific direct selling expenses.

Currency Conversion

The Department's preferred source for daily exchange rates is the Federal Reserve Bank. However, the Federal Reserve Bank does not track or publish exchange rates for the Turkish Lira. Therefore, we made currency conversions based on the daily exchange rates from the Dow Jones Service, as published in the Wall Street Journal.

Section 773A(a) directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars, unless the daily rate involves a "fluctuation". For this preliminary determination, we have determined that a fluctuation exists when the daily exchange rate differs from a benchmark rate by 2.25 percent. The benchmark rate is defined as the rolling average of the rates for the past 40 business days. When we determined that a fluctuation existed, we substituted the benchmark rate for the daily rate.

Further, section 773A(b) directs the Department to allow a 60 day adjustment period when a currency has

undergone a sustained movement. Such an adjustment period is required only when the foreign currency is appreciating against the U.S. dollar. No adjustment period is warranted in this case, because the Turkish Lira generally remained constant or depreciated against the dollar during the POI.

Verification

As provided in section 782(i) of the Act, we will verify all information determined to be acceptable for use in making our final determination.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all entries of certain pasta from Turkey, that are entered, or withdrawn from warehouse for consumption, on or after the date of publication of this notice in the Federal Register. Normally, we would instruct the U.S. Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds the export price, as indicated in the chart below. However, the product under investigation is also subject to concurrent countervailing duty investigation. Article VI.5 of the General Agreement on Tariffs and Trade (GATT) provides that "[n]o product * * * shall be subject to both antidumping and countervailing duties to compensate for the same situation of dumping or export subsidization." This provision is implemented by section 772(c)(1)(C) of the Act. Since antidumping duties cannot be assessed on the portion of the margin attributable to export subsidies, there is no reason to require a cash deposit or bond for that amount. The Department has determined, in its *Preliminary Affirmative Countervailing Duty Determination: Certain Pasta from Turkey*, that the product under investigation benefitted from export subsidies. To obtain the most accurate estimate of antidumping duties, and to fulfill our international obligations arising under the GATT, we are subtracting for deposit purposes the cash deposit rate attributable to the export subsidies found in the countervailing duty investigation (14.72 percent and 19.80 percent for Filiz and Maktas, respectively) from the antidumping bonding rate for Maktas and Filiz. We are also subtracting from the "All Others" rate the cash deposit rate attributable to the export subsidies included in the countervailing duty investigation for All Others. In keeping with Article of 17.4 of the WTO Agreement on Subsidies and Countervailing Measures, the

Department will terminate the suspension of liquidation in the companion countervailing duty investigation of *Certain Pasta From Turkey*, effective February 14, 1995, which is 120 days after the date of publication of the preliminary determination. Accordingly, on February 14, 1996, the antidumping deposit rate will revert to the full amount calculated in this preliminary determination. These suspension of liquidation instructions will remain in effect until further notice.

Exporter/manu- facturer	Weighted- average margin per- centage	Bonding percentage
Filiz	10.44	0.00
Maktas	18.80	0.00
All Others	15.61	0.00

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than April 2, 1996, and rebuttal briefs, no later than April 5, 1996. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with 19 CFR 353.38, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on April 9, 1996, time and place to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099, within ten days of the publication of this notice.

Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination by 135 days after the publication of this notice in the Federal Register.

This determination is published pursuant to section 733(f) of the Act.

Dated: December 14, 1995.

Susan G. Esserman,
*Assistant Secretary for Import
Administration.*

[FR Doc. 96-463 Filed 1-18-96; 8:45 am]

BILLING CODE 3510-DS-P

[C-201-505]

Porcelain-on-Steel Cookingware From Mexico; Preliminary Results of New Shipper Countervailing Duty Administrative Review

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

ACTION: Notice of Preliminary Results of New Shipper Countervailing Duty Administrative Review.

SUMMARY: The Department of Commerce (the Department) is conducting a new shipper administrative review of the countervailing duty order on porcelain-on-steel cookingware from Mexico. We preliminarily determine the net subsidy to be zero percent for Esmaltaciones San Ignacio S.A. (San Ignacio) for the period January 1, 1995 through June 30, 1995. If the final results remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service to liquidate, without regard to countervailing duties, all shipments of the subject merchandise from San Ignacio exported on or after January 1, 1995, and on or before June 30, 1995. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: January 19, 1996.

FOR FURTHER INFORMATION CONTACT: Norma Curtis 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 December 12, 1986, the Department published in the Federal

Register (55 FR 51139) the countervailing duty order on porcelain-on-steel cookingware from Mexico. On June 20, 1995 the Department received a request from San Ignacio for a new shipper administrative review of the countervailing duty order on porcelain-on-steel cookingware from Mexico pursuant to section 751(a)(2)(B) of the Tariff Act of 1930, as amended, (the Act), and in accordance with interim regulation 19 CFR 355.22(j)(2) (60 FR 25130 (May 11, 1995)). In its request, San Ignacio certified that it met the requirements set forth in the Act and interim regulations for new shippers.

We initiated the review, covering the period January 1, 1995 through June 30, 1995 (POR), on July 20, 1995 (60 FR 37426). The review covers one manufacturer/exporter of the subject merchandise, San Ignacio, and nine programs.

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 Act by the Uruguay Round Agreements Act.

Scope of the Review

Imports covered by this review are shipments of porcelain-on-steel cookingware from Mexico. The products are porcelain-on-steel cookingware (except teakettles), which do not have self-contained electric heating elements. All of the foregoing are constructed of steel, and are enameled or glazed with vitreous glasses. During the review period, such merchandise was classifiable under item number 7323.94.0020 of the *Harmonized Tariff Schedule* (HTS). The HTS item number is provided for convenience and Customs purposes. The written description remains dispositive.

Analysis of Programs

Programs Preliminarily Found Not To Be Used

We examined the following programs and preliminarily determine that the exporter of the subject merchandise did not apply for or receive benefits under these programs during the review period:

- (A) Banco Nacional de Comercio Exterior, S.N.C. (Bancomext)
- (B) Certificates of Fiscal Promotion (CEPROFI)
- (C) PITEX
- (D) Other Bancomext Preferential Financing
- (E) State Tax Incentives
- (F) Article 15 Loans