Subsequent to the antidumping duty order, Tubos de Acero de Mexico, S.A. (TAMSA), the sole respondent, challenged the Department's findings and requested that the Panel review the final determination. Thereafter, the Panel remanded the Department's final determination with respect to two issues. Specifically, the Panel directed the Department to (1) substitute a weighted-average factor for the adverse factor used in the calculation of nonstandard costs for certain products and (2) provide a complete explanation of its reasoning for its use of 1994 data in calculating general and administrative (G&A) expense. In the Matter of: Oil Country Tubular Goods from Mexico; Final Determination of Sales at Less Than Fair Value, USA–95–1904–04 (July 31, 1996).

The Department recalculated the nonstandard costs using a weighted-average factor and provided an explanation of our use of 1994 data in calculating G&A expenses.[1] The Department submitted its remand determination on October 25, 1996.

On December 2, 1996, the Panel affirmed the remand determination of the Department. In the Matter of: Oil Country Tubular Goods from Mexico; Final Determination of Sales at Less Than Fair Value, USA–95–1904–04 (July 31, 1996) (Final Panel Order). As a result, the margin for TAMSA and all other producers/exporters was reduced from 23.79 percent to 21.70 percent.

Suspension of Liquidation

The Department will instruct the Customs Service to collect cash deposits of 21.70 percent on all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of this amended final determination.

This notice is published pursuant to 19 U.S.C. 1516a(g)(5)(B) (1996), section 735(d) of the Tariff Act of 1930, as amended (19 U.S.C. 1673d(d) (1996)), and 19 CFR 353.20(a)(4) (1996).

Dated: January 31, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–3006 Filed 2–5–97; 8:45 am]

BILLING CODE 3510–DS–P

[1] For a complete discussion of the Department's reasoning for using 1994 data in calculating G&A expenses, see Redetermination on Remand; Final Determination of Sales at Less Than Fair Value: Oil Country Tubular Goods from Mexico (October 25, 1996).

[A–357–804]

Notice of Final Results of the 1992/93 Antidumping Duty Administrative Review: Silicon Metal From Argentina

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

SUMMARY: In response to timely requests from the respondents, Electrometalurgica Andina S.A.I.C. (Andina) and Silarsa S.A. (Silarsa), and the petitioners,[1] the Department of Commerce has conducted an administrative review of the antidumping duty order on silicon metal from Argentina. The review covers merchandise exported to the United States by these two respondents during the review period of September 1, 1992 through August 31, 1993.

EFFECTIVE DATE: February 6, 1997.

FOR FURTHER INFORMATION CONTACT: Michelle Frederick, Magd Zalok, or Howard Smith, Office of AD/CVD Enforcement II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW., Washington, DC 20230; telephone: (202) 482–0186, (202) 482–4162, or (202) 482–3530, respectively.

SUPPLEMENTARY INFORMATION:

Case History

On July 25, 1996, the Department of Commerce (the Department) published in the Federal Register the preliminary results of this administrative review. *See Notice of Preliminary Results of the 1992/93 Antidumping Duty Administrative Review: Silicon Metal from Argentina,* 61 FR 38711 (July 25, 1996) (*Preliminary Results*). On August 26, 1996, the Department received briefs from Andina and the petitioners. On September 3, 1996, the Department received rebuttal briefs from Andina, the petitioners, and Hunter Douglas, an importer of the subject merchandise. On September 10, 1996, the petitioners withdrew their request for a hearing. The Department held ex-parte meetings with the petitioners' counsel and counsel for Hunter Douglas on September 11 and 13, 1996, respectively (*see* Ex-Parte Memoranda From the Team to the File dated September 11 and 13, 1996). The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

[1] American Alloys Inc., American Silicon Technologies, ELKEM Metals Company, Globe Metallurgical Inc., and SKW Metals & Alloys Inc.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute and to the Department's regulations are references to the provisions as they existed on December 31, 1994.

Scope of Review

The product covered by this review is silicon metal. During the less-than-fair-value (LTFV) investigation, silicon metal was described as containing at least 96.00 percent, but less than 99.99 percent, silicon by weight. In response to a request by the petitioners for clarification of the scope of the antidumping duty order on silicon metal from the People's Republic of China (PRC), the Department determined that material with a higher aluminum content containing between 89 and 96 percent silicon by weight is the same class or kind of merchandise as silicon metal described in the LTFV investigation (*see Final Scope Rulings—Antidumping Duty Orders on Silicon Metal From the People's Republic of China, Brazil, and Argentina* (February 3, 1993)). Therefore, such material is within the scope of the orders on silicon metal from the PRC, Brazil, and Argentina. Silicon metal is currently provided for under subheadings 2804.69.10 and 2804.69.50 of the Harmonized Tariff Schedule (HTS) and is commonly referred to as a metal. Semiconductor-grade silicon (silicon metal containing by weight not less than 99.99 percent of silicon and provided for in subheading 2804.61.00 of the HTS) is not subject to this review. The HTS subheadings are provided for convenience and U.S. Customs purposes only. Our written description of the scope of the proceeding is dispositive.

Best Information Available

As explained in the preliminary results, Silarsa failed to respond to the Department's questionnaire in this review. Therefore, we have determined that the use of best information available (BIA) is appropriate for Silarsa in accordance with section 776(c) of the Act. For discussion of the Department's rationale for assigning a non-cooperative respondent a dumping margin based on BIA, *see Preliminary Results.* In this review, we have assigned Silarsa, as BIA, a margin of 24.62 percent, the rate assigned to Silarsa in the *Amendment to Final Results of Antidumping Administrative Review (1991/92): Silicon Metal from Argentina,* 59 FR 1617 (April 6, 1994), which is the highest rate for any company from any prior segment of the proceeding.

Fair Value Comparisons

To determine whether Andina's sales of silicon metal from Argentina to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the ''United States Price'' and ''Foreign Market Value'' sections of this notice.

United States Price

We calculated the USP based on the same methodology described in our preliminary results.

Foreign Market Value

Except as noted below, the methodology and calculations we used to arrive at the FMV for the final results are the same as those used in the preliminary results of this review. Because all home market sales were made at prices below their cost of production, we continued to use Andina's constructed value (CV) as the basis for the FMV as defined in section 773(e) of the Act. For a discussion of the Department's sales below cost test, and calculation of the cost of production (COP) and CV, *see Preliminary Results.*

For purposes of the final results of this review, we revised the COP and CV calculated for Andina in the preliminary results as follows:

1. For COP and CV, we included the depreciation expense related to idle furnaces. *See* Comment 1 in the ''*Interested Party Comments*'' section below.

2. We used the cost incurred by Andina's subsidiary to produce woodchips for purposes of COP. *See* Comment 6 in the ''*Interested Party Comments*'' section below.

3. For home market credit expense, we used the highest short-term interest rate for peso-denominated short-term loans reported by Andina in its May 24, 1994 submission. *See* Comment 11 in the ''*Interested Party Comments*'' section below.

Interested Party Comments

We gave interested parties an opportunity to comment on the preliminary results. We received comments from the petitioners, Andina, and Hunter Douglas.

Comment 1: Depreciation of Idle Equipment

The petitioners argue that the Department should reject Andina's reported depreciation expense for idle furnace IV because the expense was allocated over the wrong product base, *i.e.*, all products. Specifically, the petitioners contend that the depreciation expense for this furnace should have been attributed in total to silicon metal production because that is how the expense was treated in the first administrative review of this order. They further contend that not only does Andina's normal accounting methodology treat the depreciation expense of the idle furnace as a cost of producing silicon metal (and, therefore, conclude it should be likewise for the POR), but that the furnace has never been used to produce any other product. According to the petitioners, the Department will not depart from a respondent's normal accounting practice unless it is distortive. *See, Final Determination of Sales at Less Than Fair Value: Canned Pineapple Fruit From Thailand*, 60 FR 29503, 29559 (June 5, 1995) (*Pineapple from Thailand*) and *Final Determination of Sales At Less Than Fair Value: Certain Iron Construction Castings From Brazil*, 51 FR 9477, 9481 (March 19, 1994) (*Iron Castings from Brazil*). To further support their argument, the petitioners point to ferroalloy industry directories which identify Andina's furnace IV as a silicon metal furnace.

Alternatively, the petitioners assert that, if the depreciation expense is not allocated in total to silicon metal production, then it should be allocated only to silicon metal and ferrosilicon, the two products capable of being produced in furnace IV, as reported in the Department's verification report of the first administrative review. Finally, the petitioners argue that if the Department does allocate this expense to all products Andina is capable of producing, then it should do so only for the period of time when the furnace was disassembled and incapable of producing any product.

Andina disagrees with the petitioners views, as does Hunter Douglas. Andina argues that the furnace was disassembled and had not yet been re-tooled to produce a particular product. According to Andina, depreciation expense incurred while the furnace was disassembled should be allocated over all products; it should be allocated to a specific product only when the furnace is reactivated, and producing a specific product. It acknowledges that it had previously allocated the full expense of this furnace to silicon metal, but asserts that was because the furnace was producing silicon metal at that time. Andina maintains that the Department should not charge all of the depreciation expense on idle furnace IV to the subject merchandise because Andina was uncertain as to how the furnace would be used in the future.

Hunter Douglas further argues that the petitioners have misapplied the facts of *Iron Castings from Brazil*. First, it contends that it is irrelevant how depreciation expense was treated in the first administrative review—the only relevant issue is the status of the furnace during this POR. Hunter Douglas asserts that the depreciation expense for idle furnace IV should be treated as a general cost to Andina because, during the period covered by this review, it was disassembled and incapable of producing any product. Hunter Douglas cites to the *Final Determination of Sales at Less Than Fair Value: Shop Towels from Bangladesh*, 57 FR 3996, 3999 (February 3, 1992) (*Shop Towels from Bangladesh*). Finally, it states that there is nothing on the record to indicate that Andina allocated depreciation of furnace IV entirely to silicon metal during the POR.

With respect to idle furnace III, Andina argues that the Department should not have allocated the depreciation expense to all products, but instead to calcium silicon, a product furnace III was being modified to produce.

DOC Position

For purposes of this final determination, we have allocated the depreciation expense for furnance IV to the production of silicon metal. Although Andina asserts that furnace IV was disassembled and incapable of producing any product during the entire POR (August 1992–September 1993) and, therefore, should be allocated across all products, an on-site verification conducted by the Department in July 1993 found that furnace IV was in fact being used to produce silicon metal. (*See*, public File Memorandum from Maureen McPhillips, et al, August 3, 1993, documenting the July 1993 verification of the 1991–92 administrative review period.) Accordingly, we have determined that the depreciation related to furnance IV should be allocated to the production of silicon metal. The comments raised by the petitioners, with respect to Andina's normal accounting methodology for allocating depreciation expenses related to furnace IV, and Hunter Douglas, with respect to the analogy of idle furnace allocation in *Shop Towels from Bangladesh* with Andina's allocation methodology in this review, are moot because of the Department's verification findings.

Finally, we agree with Andina regarding furnace III. The record indicates that furnace III was being modified to produce calcium silicon while it was idle during 1993 and it began producing calcium silicon in June 1993. Thus, we have determined that

the depreciation expense for furnace III should be charged to the production of calcium silicon. We have amended our calculations for the final results by not attributing any portion of depreciation expense associated with furnace III to the cost of producing silicon metal.

Comment 2: Treatment of VAT on Inputs for CV

The petitioners argue that VAT paid on inputs used to produce silicon metal should be included in CV in the Department's final results. The petitioners assert that a home market tax directly applicable to materials used in the manufacture of merchandise exported to the United States is a cost of producing the exported merchandise unless the tax is remitted or refunded upon exportation. They contend that it is incumbent upon Andina to provide evidence that VAT paid on inputs used in the production of silicon metal for exportation was refunded, citing *Timken Co.* v. *United States*, 673 F. Supp. 495, 513 (CIT 1987). According to the petitioners, although the record shows Andina requested reimbursement for VAT paid on inputs used to produce exported silicon metal, a significant amount of the reimbursement Andina requested was not received.

Andina claims that it can receive refunds for VAT paid on inputs in three ways: (1) through an offset to the tax generated on domestic sales; (2) through a credit used to pay other taxes; or (3) through a cash refund upon exportation of the merchandise. Andina contends that it did receive VAT refunds from the Argentine Government on its exports as seen by the decrease from 1992 to 1993 in the balance of the ''government receivables on exportations'' account on its balance sheet.

Hunter Douglas agrees with Andina and claims that Andina's method of reporting VAT in its questionnaire response is consistent with the way the company records the tax in its audited financial statements, (*i.e.*,VAT is recorded as a receivable, not as an expense). Hunter Douglas notes that in the preliminary results the Department confirmed Andina's statements regarding the Argentine VAT system through independent third-party sources.

DOC Position

We disagree with the petitioners that VAT paid on inputs used to produce silicon metal should be included in CV. First, we corroborated Andina's statements regarding the operation of the Argentine VAT system through an independent source. *Doing Business in Argentina* (Price Waterhouse, 1993 at 119–121). Exporters are entitled to a tax credit for the full amount of VAT paid on inputs, if the final product is exported. The credit may either be offset against other taxes (*e.g.*, VAT on domestic sales), transferred to third parties, or reimbursed by the Direccion General Impostiva (*i.e.*, the Argentine tax authority). Second, we confirmed Andina's statement that during the POR it requested reimbursement of VAT paid on inputs used to produce exported merchandise by examining its audited financial statements. Andina recorded VAT payments on inputs for exported merchandise as a receivable, not an expense. Third, we noted the decrease in Andina's ''government receivables on exportations'' account balance between 1992 and 1993 and agree that this supports Andina's claim that it receives VAT refunds on exported merchandise. Based on the foregoing, we have concluded that Andina is receiving credits for VAT associated with the purchase of inputs used in the production of the subject merchandise. Consequently, we excluded VAT from CV in the final results.

Comment 3: Import Duties on Electrodes

The petitioners claim that there is no evidence to support Andina's claim that it included import duties on electrodes in the reported COP and CV. Originally, Andina had reported that the cost of electrodes consumed in the production of silicon metal by furnace V included import duties. However, in its supplemental response, Andina reduced the cost of the electrodes by the amount of the import duties and reported the duties as an indirect material cost of furnace V. The petitioners contend that the indirect material cost for furnace V reported in the supplemental response is less than the indirect material cost for furnace V reported in the original Section D response. They argue that if Andina had changed its reporting methodology as stated in its narrative, the indirect material costs should have been greater in the supplemental response, not less. Therefore, the petitioners contend that Andina failed to include duties on electrodes in the indirect material cost of furnace V.

Additionally, the petitioners note that if duties on electrodes were reported as an indirect material cost, then duties on electrodes consumed during 1993, which were drawn from the 1993 beginning inventory, have not been included in the reported costs. The petitioners argue that the duties on those electrodes would have been reported as an indirect material cost in 1992, when the electrodes were purchased. The petitioners argue that the Department should either determine whether Andina's reported costs include duties on imported electrodes or include a proper amount for such duties in Andina's reported costs.

Andina argues that import duties on electrodes are included as an indirect material cost of furnace V. It states that it had first included import duties on electrodes used to manufacture silicon metal in the cost of electrodes because it had used this methodology in the original investigation and the first review. However, it reported import duties on electrodes in indirect materials costs of furnace V in its supplemental responses so that the reported cost could be reconciled with its audited financial statements. Andina contends that the Department should not penalize it for changing its accounting methodology when it explained how it reported the duties on electrodes.

Regarding the methodology it used to account for import duties on electrodes drawn from beginning inventory, Andina agrees that it inadvertently failed to report import duties on electrodes drawn from beginning inventory and requests the Department to make the adjustment requested by the petitioners.

DOC Position

We agree with Andina and the petitioners that import duties on electrodes in beginning inventory were not included in the reported costs and have corrected these final results for that omission.

The petitioners' conclusion that import duties were not included in the indirect material costs for furnace V is wrong because they did not compare correct costs and failed to include all indirect material costs reported in Andina's supplemental response in their comparison. Specifically, the petitioners incorrectly compared the operating supplies expense and other costs for furnace V reported in Andina's Section D response to the indirect materials expense for furnace V reported in Andina's supplemental response. In addition, the indirect materials expense from the supplemental should have included an amount for the indirect materials and other costs from other cost centers which were allocated to furnace V.

We found that the reported electrode cost (exclusive of import duties) and the indirect materials cost for furnace V reconciled to Andina's accounting records as submitted. Thus, we have accepted Andina's statement that the import duties on electrodes is included

in indirect material costs for these final results.

Comment 4: Allocation of Laboratory Costs

The petitioners contend that the Department should not accept the methodology Andina used to allocate laboratory costs because it is not based on Andina's normal accounting system. They assert that Andina failed to show that its reported methodology is more reasonable than its normal methodology. Therefore, they argue, the Department should either require Andina to report information that would allow the Department to allocate laboratory costs using Andina's normal accounting methodology, or allocate, as best information available (BIA), laboratory costs over the direct labor hours of Andina's cost centers.

Andina asserts that its reported methodology is fair and logical. It disagrees with the methodology proposed by the petitioners, arguing that using labor hours as an allocation basis results in significant distortions.

Hunter Douglas also asserts that the petitioners fail to acknowledge the distortions created by using an allocation methodology based on Andina's accounting system; it over-allocates laboratory costs to intermediate products used to produce both subject and non-subject merchandise. Instead, it contends, Andina's revised methodology more reasonably reflects its actual costs. In addition, Hunter Douglas asserts that the petitioners offer no evidence that the ''labor hours'' methodology yields a more reasonable allocation.

DOC Position

We agree with Andina and Hunter Douglas. Andina appears to have mischaracterized its normal allocation of laboratory costs by stating that in its accounting system it assigns laboratory costs to the product that is being analyzed. However, based on the records submitted by Andina, we concluded that its normal accounting methodology is to allocate costs on the basis of furnace capacity.

For purposes of this review, Andina submitted an alternative allocation methodology based on allocating laboratory costs to its raw materials, intermediate products, and final products according to the volume of materials and products entering and leaving intermediate and final product cost centers, *i.e.*, an ''input/output'' basis.

Even though Andina's response is confusing regarding its normal accounting methodology, we disagree with the petitioners that Andina failed to provide adequate information about its normal accounting methodology. We were able to conclude that Andina's normal methodology is based on furnace capacity, (See Exhibit D–1 of March 15, 1996, supplemental response) and to reconcile the inventory values in these worksheets with Andina's 1993 audited financial statements, thus validating Andina's normal allocation basis. However, we determined that this allocation methodology does not reasonably allocate laboratory costs because furnace capacity is not the determinant of the amount of testing performed. Therefore, we have accepted Andina's alternative allocation methodology because it is based on a reasonable premise that the amount of laboratory testing will vary directly with the actual quantity of material processed.

Comment 5: Deduction of Income From Sales of Woodchips

The petitioners argue that the Department should not reduce Andina's reported COP and CV by the income from El Tambolar (a wholly-owned subsidiary) because not all of El Tambolar's income was derived from the sale of woodchips. They assert that El Tambolar's income includes an extraordinary gain from the recovery of a tax credit previously written-off and rental income, both of which bear no relation to the sale of woodchips or the production of silicon metal.

Andina argues that this income should be deducted from COP and CV because it is directly related to the production of silicon (*i.e.*, it uses woodchips to produce silicon metal).

DOC Position

We agree with the petitioners regarding El Tambolar's miscellaneous income. It is the Department's practice to reduce production costs only by revenue considered to be a recovery of costs (*e.g.*, revenue from sales of scrap) rather than revenue generated from sales in the normal course of business. (*See Final Determination of Sales at Less Than Fair Value: Oil Country Tubular Goods from Argentina*, 60 FR 33539, 33550 (June 28, 1995) (*OCTG from Argentina*).) The income El Tambolar earned from its sales of woodchips is revenue earned from sales in the normal course of business.

In addition, we have not offset production costs by El Tambolar's extraordinary gain or rental income because this income is not related to silicon metal production costs incurred during the POR.

Comment 6: Use of Subsidiary's Costs for Woodchips

Andina argues that the cost of woodchips included in COP for silicon metal should be based on El Tambolar's actual costs to produce the woodchips, rather than the price El Tambolar charges Andina (*i.e.*, the transfer price).

The petitioners agree with Andina that El Tambolar's actual cost should be used to value the woodchips purchased from the related party. However, the petitioners urge the Department to base the cost of woodchips on the costs reported in El Tambolar's fiscal 1993 (*i.e.*, July 1, 1992–June 30, 1993) financial statements rather than the costs reported in El Tambolar's 1993 calendar year financial statement which was prepared for this review. The petitioners contend that the cost of woodchips reported in the calendar 1993 statement is inconsistent with other cost information on the record, namely the fiscal 1993 financial statement. The petitioners argue that Andina failed to reconcile the reported woodchip production costs contained in the calendar year 1993 financial statement with El Tambolar's fiscal 1993 financial statement. Moreover, the petitioners claim that they were unable to reconcile the costs figures reported in each statement. Thus, because the calendar year woodchip costs could not be substantiated, the Department should rely on the fiscal woodchip costs.

Additionally, the petitioners claim that costs on the fiscal financial statement should be increased to include amortization of the eucalyptus plantations from which wood is drawn to produce woodchips because this amortization appears to be missing from that statement. (*See Final Determination of Sales at Less Than Fair Value; Ferrosilicon from Brazil*, 59 FR 732 737–738 (January 6, 1994).)

DOC Position

We agree with both parties that, for our COP analysis, the related party purchases should be valued based on El Tambolar's actual cost of woodchips rather than the transfer price. We based the cost of woodchips on costs incurred by El Tambolar in calendar year 1993. (And, thus, no adjustment was necessary for amortization of eucalyptus plantations.)

With respect to petitioner's argument that Andina did not reconcile the calendar year statement with the fiscal year statement, we were able to reconcile the reported woodchip costs to El Tambolar's portion of the consolidated Andina income statement for 1993. (See Calculation

Memorandum, January 10, 1997.) Therefore, we believe the reported woodchip costs reasonably reflect their cost of production.

We note, however, that for CV we have followed our normal practice and used the transfer price which was greater than cost. The Department compared the transfer price to the prices from third-party sources in Argentina (submitted by the petitioners in their sales below cost allegation). We found the transfer prices to be consistent with the petitioners'' evidence of market prices and concluded that the transfer prices reflect arm's length prices. Therefore, we have used the higher transfer price to value woodchips in our calculation of CV.

Comment 7: Interest Expense

Andina argues that the Department should not calculate interest expenses based on the financial expense reported in its consolidated financial statement. Andina asserts that its auditors erred in preparing its consolidated income statement because they posted an adjusting journal entry, eliminating Andina's share of El Tambolar's net income, to the ''Financial Cost'' account instead of posting the entry to the ''Other Income and Expenses'' account. According to Andina, it is clear that this adjusting entry, which increased Andina's financial expenses, should have been posted to the ''Other Income and Expenses'' account. It argues that information exists on the record showing that this entry meant to eliminate income recorded in the ''Other Income and Expenses'' account.

The petitioners contend that the Department's established practice is to determine the interest expenses included in COP and CV based on a respondent's audited consolidated financial statements. (*See, e.g., Final Determination of Sales at Less Than Fair Value: New Minivans from Japan,* 50 FR 21065, 21069 (May 26, 1992), and *Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Butt-Weld Pipe Fittings from Thailand,* 57 FR 21065, 21069 (May 18, 1992).) According to the petitioners, Andina failed to adequately support its claim because the information on the record that Andina cites to support its position is unaudited and prepared solely for this antidumping proceeding. Thus, the petitioners argue that Andina failed to demonstrate that the Department should not rely on the financial expenses reported on Andina's audited consolidated financial statement (*see* Timken Co., 673 F. Supp. at 513).

DOC Position

We agree with the petitioners. Andina has not provided sufficient evidence to support its claim that its audited consolidated 1993 financial statements are inaccurate. It is the Department's longstanding practice to base interest expense on the audited consolidated financial statements. (*See e.g., Notice of Final Determination of Sales at LTFV: Small Diameter Circular Seamless Carbon and Alloy Steel, Standard, Line, and Pressure Pipe from Italy,* 60 FR 31981,31990 (June 19, 1995).) We have used the financial expenses reported in Andina's audited, consolidated financial statements for the final results.

Comment 8: Reducing COP and CV by Reimbursed Taxes

Andina argues that the Department should not include reembolso taxes (taxes reimbursed under the reembolso program) in CV when making comparisons to USP for the final results because reembolso taxes were rebated upon exportation of the subject merchandise. Andina argues that the bills of lading for export sales prove conclusively that tax rebates were received on exports to the United States and, thus, the Department must reduce CV by the amount of these indirect taxes proven to be rebated on U.S. exports. Otherwise, claims Andina, the addition of these taxes to CV creates an unfair comparison because it compares a tax-inclusive CV to a tax-exclusive USP. (*See OCTG from Argentina.*)

The petitioners disagree with Andina. They contend that indirect taxes must be included in CV based on section 773(e)(1)(A) of the Act, which provides that the constructed value of imported merchandise shall ''be the sum of * * * the cost of materials (exclusive of any internal tax applicable in the country of exportation directly to such materials or their disposition, but remitted or refunded upon the exportation of the article in the production of which such materials are used) * * *.'' The fact that (a) indirect tax refunds under the reembolso program are based on a percentage of sales value and that percentage is not directly related to the indirect tax payments; (b) Andina paid a series of indirect taxes that were not directly related to materials; and (c) Andina calculated the amount of the requested percentage reduction to CV based on the reported reembolso amounts received on export sales of silicon metal to all countries, contend the petitioners, is further evidence that Andina cannot establish a link.

The petitioners assert that Andina failed to answer the Department's supplemental question requiring Andina to demonstrate that reembolso taxes were tied directly to the exported merchandise. The petitioners cite *Timken Co.* v. *United States,* 673 F. Supp. 496, 513 (CIT 1987) arguing that the burden of establishing the right for an adjustment lies with Andina and assert that Andina failed to sufficiently support its claim.

Finally, the petitioners contend that *OCTG from Argentina* does not support Andina's position because that case did not address the proper treatment of reembolso in the context of calculating CV, but involved a circumstance-of-sale adjustment to account for differences in reembolso received on U.S. sales and third-country sales used for FMV.

DOC Position

We agree with the petitioners that Andina failed to substantiate its claimed adjustment. Although we have in past reviews granted this adjustment for Andina, in accordance with *OCTG from Argentina,* in this review we specifically requested Andina to link the reembolso tax to material inputs that are physically incorporated into the subject merchandise. *See* sections 773(e)(1)(A) and 772(d)(1)(C) of the Act. Because Andina failed to provide the information specifically requested by the Department with respect to this issue, we disallowed the claimed tax adjustments.

Comment 9: Short-term Interest Offset From Interest Expense

Andina claims that it should be allowed to reduce the interest expense included in COP and CV by interest income earned on certain bond investments because they are short-term investments. It supports this claim by noting that the bond investments are classified as current assets in the company's audited financial statement.

The petitioners disagree with Andina arguing that it provided documentation from the Argentine Central Bank identifying the term of the bonds as four years. The petitioners note that it is the Department's practice to reduce interest expense by interest income earned on investments with a maturity of one year or less, citing the *Final Determination of Sales at Less Than Fair Value: Fresh Cut Roses from Colombia,* 60 FR 6980, 7011 (February 6, 1996). Therefore, the petitioners contend, the interest income from these bonds should not be used to reduce interest expense because the investments do not qualify as short-term.

DOC Position

We agree with the petitioners. It is the Department's practice to allow a respondent to reduce its interest expense by interest income earned from short-term investments of working capital. The Department generally considers an investment with a maturity of one year or less to be a short-term investment. *See e.g., Pasta from Italy,* 61 FR 30326, 30359 (June 14, 1996). Andina reported the term of the bonds at issue as four years. Thus, because these bonds are properly classified as long-term investments, the interest income earned from these bonds was not used to offset interest expense for the final results.

Comment 10: Allocation of Plant General Services

Andina claims that allocating plant general services (PGS) costs to cost centers based on labor hours incurred in each center is not a reasonable measure of PGS provided to each cost center. Instead, Andina contends, it would be more appropriate to allocate these costs on bases which are related to the costs being allocated, such as (i) tonnage of inputs; (ii) tonnage of outputs; and (iii) salaries of each productive cost center.

The petitioners disagree with Andina and state that the Department properly rejected Andina's allocation methodology in the preliminary results because Andina failed to use its normal allocation methodology or demonstrate that its normal methodology, based on direct labor hours, is distortive (*see e.g., Pineapple from Thailand*). Furthermore, the petitioners contend that Andina's proposed methodology allocates relatively large amounts of PGS costs to simple operations and smaller amounts to more significant operations. The petitioners argue that this result is contrary to the Department's practice to allocate general facilities expenses and other indirect costs according to the level of activity within direct cost centers. *See Elemental Sulphur,* p. 8245.

DOC Position

We disagree with Andina. We have determined that Andina's arbitrary allocation of PGS costs into three portions did not reasonably reflect the cost of producing the merchandise under investigation. Andina did not demonstrate that the three different allocation bases it used are each related to a portion of total PGS costs. Moreover, Andina's normal allocation methodology for PGS costs, which is based on furnace capacity, is unreasonable because the record does not indicate that PGS costs are related to furnace capacity. Therefore, as in the preliminary results, we have allocated PGS costs to Andina's cost centers based on direct labor hours worked in each cost center because the nature of PGS costs indicates that labor hours is a reasonable measure of the degree to which a cost center benefits from plant general services.

Comment 11: BIA for Interest Rate

The petitioners argue that the Department improperly used as BIA an 11.8 percent interest rate from the International Monetary Fund, rather than using the higher short-term, peso-denominated borrowing rate reported on the bank statement submitted by Andina in its questionnaire response. According to the petitioners, the short-term rate noted on Andina's bank statement is the only evidence on the record regarding Andina's short-term borrowing at a peso-denominated rate.

Andina argues that using the highest short-term interest rate reported for one of its short-term loans is unjust since the interest rate on that loan applies to an overdraft accounting for a small portion of its borrowings.

DOC Position

We agree with the petitioners that, because Andina failed to provide a complete list of its short-term borrowings for the POR, we should use BIA. Andina was given ample time and opportunity to provide a complete response to this request. However, it chose to provide the Department with information related to only a portion of its short-term borrowings. As BIA, we are using the higher (*i.e.,* more adverse) short-term, peso-denominated interest rate on the record to calculate the home market imputed credit expense for purposes of calculating CV for the final results.

Comment 12: Currency Conversion

The petitioners state that the Department improperly multiplied the peso-denominated CV and direct selling expenses by the peso per U.S. dollar exchange rates. The petitioner argues that the Department should have multiplied the peso-denominated amounts by one divided by the exchange rates used.

Andina argues that the Argentine Convertibility Law (law 23928) makes currency conversion irrelevant since it is designed to equate the U.S. dollar with the Argentine peso.

DOC Position

We agree with the petitioners that we improperly converted CV and direct selling expenses in the preliminary results. The manner in which the FMV was converted to U.S. dollars in the preliminary results reflects a clerical error in that the FMV (CV less direct selling expenses) was multiplied directly by the exchange rate rather than the U.S. dollar amount based on the exchange rate (*i.e.,* US$1.00 divided by the exchange rate). This clerical error was corrected in the margin calculation of these final results.

In addition, contrary to Andina's claim, currency conversion is relevant to the Department's antidumping duty analysis. We have followed the currency conversion requirements as set out in the Department's regulations for these final results. *See* 19 CFR 353.60(a).

Currency Conversion

We made currency conversions for expenses denominated in Argentine pesos based on the official monthly exchange rates in effect on the dates of the U.S. sales as published by the International Monetary Fund, in accordance with 19 CFR 353.60(a), because certified exchange rates for Argentina were unavailable from the Federal Reserve.

Final Results of Review

As a result of our review, we determine that the following margin exists for the period September 1, 1992 through August 31, 1993:

Manufacturer/exporter	Review period	Margin (percent)
Andina	9/01/92–8/31/93	13.80
Silarsa	9/01/92–8/31/93	24.62

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between USP and FMV may vary from the percentages stated above. The Department will issue appraisement instructions directly to the U.S. Customs Service.

Furthermore, the following deposit requirements will be effective for all shipments of silicon metal from Argentina entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) the cash deposit rates for Silarsa and Andina will be the rates indicated above; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original

LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will be 17.87 percent, the ''all other'' rate established in the final Results of Redetermination Pursuant to Court Remand, American Alloys, Inc. v. United States, Ct. No. 91–10–00782, p. 4 (April 7, 1995).

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

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

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of the APO is a sanctionable violation.

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

Dated: January 30, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration

[FR Doc. 97–3005 Filed 2–5–97; 8:45 am]

BILLING CODE 3510–DS–P

University of Iowa Hospitals, et al.; Notice of Decision on Applications for Duty-free Entry of Scientific Instruments

This is a decision pursuant to Section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89–651, 80 Stat. 897; 15 CFR part 301). Related records can be viewed between 8:30 AM and 5:00 PM in Room 4211, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC.

Decision: Denied. Applicants have failed to establish that domestic instruments of equivalent scientific value to the foreign instruments for the intended purposes are not available.

Reasons: Section 301.5(e)(4) of the regulations requires the denial of applications that have been denied without prejudice to resubmission if they are not resubmitted within the specified time period. This is the case for the following dockets.

Docket Number: 96–017. *Applicant:* University of Iowa Hospitals and Clinics, Iowa City, IA 52242. *Instrument:* [^{18}F] Synthesis Module. *Manufacturer:* Nuclear Interface GmbH, Germany. *Date of Denial without Prejudice to Resubmission:* August 21, 1996.

Docket Number: 95–109. *Applicant:* University of California, Berkeley, Berkeley, CA 94722. *Instrument:* Energy Dispersive Spectrometer. *Manufacturer:* Oxford Instruments, United Kingdom.

Date of Denial without Prejudice to Resubmission: April 2, 1996.

Frank W. Creel,

Director, Statutory Import Programs Staff.

[FR Doc. 97–2879 Filed 2–5–97; 8:45 am]

BILLING CODE 3510–DS–P

Applications for Duty-Free Entry of Scientific Instruments

Pursuant to Section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89–651; 80 Stat. 897; 15 CFR part 301), we invite comments on the question of whether instruments of equivalent scientific value, for the purposes for which the instruments shown below are intended to be used, are being manufactured in the United States.

Comments must comply with 15 CFR 301.5(a) (3) and (4) of the regulations and be filed within 20 days with the Statutory Import Programs Staff, U.S. Department of Commerce, Washington, D.C. 20230. Applications may be examined between 8:30 A.M. and 5:00 P.M. in Room 4211, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C.

Docket Number: 96–136. *Applicant:* Washington University, Department of Earth and Planetary Sciences, Campus Box 1169, One Brookings Drive, St. Louis, MO 63130–4899. *Instrument:* Mass Spectrometer, Model MAT 252. *Manufacturer:* Finnigan MAT, Germany. *Intended Use:* The instrument is intended to be used for investigations focusing on: (1) Understanding the temporal variations in rivers and springs, (2) the behavior of fossil hydrothermal systems, (3) the origin of granitic batholiths, evaporation processes in lakes and other natural water bodies, (4) isotopic tracing of subsurface fluids, climatic change and (5) isotopic variations in calcareous organisms. In addition, the instrument will be used for educational purposes in earth and planetary science courses. *Application accepted by Commissioner of Customs:* December 11, 1996.

Docket Number: 96–139. *Applicant:* U. S. Department of Agriculture, Agricultural Research Service, U. S. Water Conservation Laboratory, 4331 E. Broadway Road, Phoenix, AZ 85040–8832. *Instrument:* Mass Spectrometer, Model Isochrom. *Manufacturer:* Micromass, Inc., United Kingdom. *Intended Use:* The instrument will be used to analyze soil and plant materials which contain stable isotopes of carbon and nitrogen used as tracers to follow biological processes. *Application accepted by Commissioner of Customs:* December 19, 1996.

Docket Number: 96–140. *Applicant:* Associated Universities, Inc., Brookhaven National Laboratory, Building 480, Upton, NY 11973. *Instrument:* Electron Microscope with Accessories, Model JEM–3000F. *Manufacturer:* JEOL, Ltd., Japan. *Intended Use:* The instrument will be used to study high temperature superconductors, high field permanent magnets and interfaces between metals and coatings. The preliminary research plans include studies of: (a) Charge and charge transfer, (b) microcomposition, atomic structure and charge distribution at grain boundaries and interfaces and (c) local structural disorder by electron diffuse scattering, imaging and computer simulation. *Application accepted by Commissioner of Customs:* December 19, 1996.

Docket Number: 96–141. *Applicant:* Oregon Graduate Institute of Science and Technology, P.O. Box 91000, Portland, OR 97291–1000. *Instrument:* Stopped-Flow Spectrometer, Model SX.18MV. *Manufacturer:* Applied Photophysics, Ltd., United Kingdom. *Intended Use:* The instrument will be used to study the kinetic mechanism of wild-type and mutant lignin-degrading peroxidases and other redox enzymes from wood-degrading fungi. *Application accepted by Commissioner of Customs:* December 19, 1996.

Docket Number: 96–142. *Applicant:* The University of Tennessee, Knoxville, Department of Physics and Astronomy, 401 Nielsen Physics Building, Knoxville, TN 37996–1200. *Instrument:* Energy Analyzer and Power Supply, Model SES–200. *Manufacturer:* Scienta Instrument AB, Sweden. *Intended Use:* The instrument will be used to uncover new physical and chemical phenomena