

	Period
Antidumping Duty Proceedings:	
AUSTRIA: Railway Track Maintenance Equipment, A-433-064	2/1/99-12/31/99
BRAZIL: Stainless Steel Bar, A-351-825	2/1/99-1/31/00
CANADA: Racing Plates, A-122-050	2/1/99-12/31/99
GERMANY: Sodium Thiosulfate, A-428-807	2/1/99-1/31/00
INDIA: Forged Stainless Steel Flanges, A-533-809	2/1/99-1/31/00
INDIA: Stainless Steel Bar, A-533-810	2/1/99-1/31/00
INDIA: Certain Preserved Mushrooms, A-533-813	8/5/98-1/31/00
INDONESIA: Certain Preserved Mushrooms, A-560-802	8/5/98-1/31/00
INDONESIA: Melamine Institutional Dinnerware, A-560-801	2/1/99-1/31/00
JAPAN: Benzyl Paraben, A-588-816	2/1/99-12/31/00
JAPAN: Butt-Weld Pipe Fittings, A-588-602	2/1/99-1/31/00
JAPAN: Mechanical Transfer Presses, A-588-810	2/1/99-1/31/00
JAPAN: Melamine, A-588-056	2/1/99-1/31/00
JAPAN: Stainless Steel Bar, A-588-833	2/1/99-1/31/00
REPUBLIC OF KOREA: Business Telephone Systems, A-580-803	2/1/99-1/31/00
REPUBLIC OF KOREA: Stainless Steel Butt-Weld Pipe Fittings, A-580-813	2/1/99-1/31/00
TAIWAN: Forged Stainless Steel Flanges, A-583-821	2/1/99-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Axes/adzes, A-570-803	2/1/99-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Bars/wedges, A-570-803	2/1/99-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Certain Preserved Mushrooms, A-570-851	8/5/98-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Coumarin, A-570-830	2/1/99-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Hammers/sledges, A-570-803	2/1/99-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Manganese Metal, A-570-840	2/1/99-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Melamine Institutional Dinnerware, A-570-844	2/1/99-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Paint Brushes, A-570-501	2/1/99-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Picks/mattocks, A-570-803	2/1/99-1/31/00
THE PEOPLE'S REPUBLIC OF CHINA: Sodium Thiosulfate, A-570-805	2/1/99-1/31/00
THE UNITED KINGDOM: Sodium Thiosulfate, A-412-805	2/1/99-1/31/00
Countervailing Duty Proceedings: None.	
Suspension Agreements:	
BRAZIL: Frozen Concentrated Orange Juice, C-351-005	2/1/99-1/31/00
VENEZUELA: Cement, A-307-803	2/1/99-1/31/00

In accordance with section 351.213 of the regulations, an interested party as defined by section 771(9) of the Act may request in writing that the Secretary conduct an administrative review. In recent revisions to this regulations, the Department changed its requirements for requesting reviews for countervailing duty orders. Pursuant to 771(9) of the Act, an interested party must specify the individual producers or exporters covered by the order or suspension agreement for which they are requesting a review (Department of Commerce Regulations, 62 FR 27295, 27424 (May 19, 1997)). Therefore, for both antidumping and countervailing duty reviews, the interested party must specify for which individual producers or exporters covered by an antidumping finding or an antidumping or countervailing duty order it is requesting a review, and the requesting party must state why it desires the Secretary to review those particular producers or exporters. If the interested party intends for the Secretary to review sales of merchandise by an exporter (or a producer if that producer also exports merchandise from other suppliers) which were produced in more than one country of origin and each country of origin is subject to a separate order, then the interested party must state

specifically, on an order-by-order basis, which exporter(s) the request is intended to cover.

Seven copies of the request should be submitted to the Assistant Secretary for Import Administration, International Trade Administration, Room 1870, U.S. Department of Commerce, 14th Street & Constitution Avenue, N.W., Washington, D.C. 20230. The Department also asks parties to serve a copy of their requests to the Office of Antidumping/Countervailing Enforcement, Attention: Sheila Forbes, in room 3065 of the main Commerce Building. Further, in accordance with section 351.303(f)(1)(i) of the regulations, a copy of each request must be served on every party on the Department's service list.

The Department will publish in the **Federal Register** a notice of "Initiation of Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation" for requests received by the last day of February 1998. If the Department does not receive, by the last day of February 1998, a request for review of entries covered by an order, finding, or suspended investigation listed in this notice and for the period identified above, the Department will instruct the Customs Service to assess

antidumping or countervailing duties on those entries at a rate equal to the cash deposit of (or bond for) estimate antidumping or countervailing duties required on those entries at the time of entry, or withdrawal from warehouse, for consumption and to continue to collect the cash deposit it previously ordered.

This notice is not required by statute but is published as a service to the international trading community.

Dated: February 9, 2000.

Holly A. Kuga,

Acting Deputy Assistant Secretary for Import Administration (Group II).

[FR Doc. 00-3393 Filed 2-11-00; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-475-818]

Notice of Final Results of Antidumping Duty Administrative Review: Certain Pasta From Italy

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

SUMMARY: On August 9, 1999, the Department of Commerce (the

Department) published the preliminary results and a partial rescission of its administrative review of the antidumping duty order on certain pasta from Italy. This review covers shipments by seven respondents during the period of review July 1, 1997, through June 30, 1998.

For our final results, we have found that, for certain respondents, sales of the subject merchandise have been made below normal value (NV). We will instruct the United States Customs Service to assess antidumping duties equal to the difference between the export price (EP) or constructed export price (CEP) and the NV.

EFFECTIVE DATE: February 14, 2000.

FOR FURTHER INFORMATION CONTACT: John Brinkmann or Jarrod Goldfeder, Office of AD/CVD Enforcement, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4126 or (202) 482-2305, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act), by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations refer to the regulations codified at 19 CFR part 351 (April 1999).

Case History

This review covers the following manufacturers/exporters of merchandise subject to the antidumping duty order on certain pasta from Italy: (1) Commercio-Rappresentanze-Export S.r.l. (Corex); (2) F.lli De Cecco di Filippo Fara S. Martino S.p.A. (De Cecco); (3) La Molisana Industrie Alimentari S.p.A. (La Molisana); (4) N. Puglisi & F. Industria Paste Alimentari S.p.A. (Puglisi); (5) Pastificio Antonio Pallante (Pallante); (6) Pastificio Maltagliati S.p.A. (Maltagliati); and (7) Rummo S.p.A. Molino e Pastificio (Rummo).

On August 9, 1999, the Department published the preliminary results of this review. See *Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta from Italy*, 64 FR 43152 (Preliminary Results). As noted in the *Preliminary Results*, we rescinded this review with respect to F. Divella Molina e Pastificio, Pastificio Fabianelli

S.p.A., Industria Alimentari Colavita S.p.A., and Riscossa F.lli Mastromauro S.r.l., because each of these companies timely filed letters with the Department withdrawing the requests for reviews and because there were no other requests for reviews of these companies. On September 15, 1999,¹ we received case briefs from: (1) Borden, Inc., New World Pasta, Inc., and Gooch Foods, Inc. (collectively, the petitioners), and (2) four of the manufacturers/exporters that participated in this review (De Cecco, La Molisana, Maltagliati, and Rummo). We received rebuttal briefs from the petitioners, De Cecco, and Maltagliati on September 22, 1999. A public hearing was not held with respect to this review.²

On November 30, 1999, the Department extended the time limits for completion of the final results of this review by 60 days. See *Certain Pasta from Italy: Extension of Final Results of Antidumping Duty Administrative Review*, 64 FR 68320 (December 7, 1999). We issued supplemental questionnaires to and received responses from De Cecco in December 1999.

Scope of Review

Imports covered by this review are shipments of certain non-egg dry pasta in packages of five pounds (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 review 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. Also excluded are imports of

¹ On September 21, 1999, we rejected the case briefs submitted by the petitioners and Maltagliati, pursuant to section 351.301(b)(2) of the Department's regulations, because we found that the briefs contained untimely new factual information. These case briefs were resubmitted on September 21, 1999, without the new information. Furthermore, on October 12, 1999, we rejected La Molisana's case brief, pursuant to section 351.301(c)(2) of the Department's regulations, because La Molisana submitted information requested by the Department after the deadline specified in a February 22, 1999 request. La Molisana resubmitted its case brief without the new information on October 14, 1999.

² Although Maltagliati requested a hearing on August 26, 1999, that request was subsequently withdrawn on September 7, 1999.

organic pasta from Italy that are accompanied by the appropriate certificate issued by the Instituto Mediterraneo Di Certificazione (IMC), by Bioagricoop Scrl, by QC&I International Services, by Ecocert Italia or by Consorzio per il Controllo dei Prodotti Biologici.

The merchandise subject to review 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, the written description of the merchandise subject to the order is dispositive.

Scope Rulings

The Department has issued the following scope rulings to date:

(1) On August 25, 1997, the Department issued a scope ruling that multicolored pasta, imported in kitchen display bottles of decorative glass that are sealed with cork or paraffin and bound with raffia, is excluded from the scope of the antidumping and countervailing duty orders. See Memorandum from Edward Easton to Richard Moreland, dated August 25, 1997, on file in the Central Records Unit (CRU) of the main Commerce Building, Room B-099.

(2) On July 30, 1998, the Department issued a scope ruling, finding that multipacks consisting of six one-pound packages of pasta that are shrink-wrapped into a single package are within the scope of the antidumping and countervailing duty orders. See letter from Susan H. Kuhbach, Acting Deputy Assistant Secretary for Import Administration, to Barbara P. Sidari, Vice President, Joseph A. Sidari Company, Inc., dated July 30, 1998, on file in the CRU.

(3) On October 23, 1997, the petitioners filed an application requesting that the Department initiate an anti-circumvention investigation against Barilla, an Italian producer and exporter of pasta. On October 5, 1998, the Department issued its final determination that, pursuant to section 781(a) of the Act, circumvention of the antidumping duty order is occurring by reason of exports of bulk pasta from Italy produced by Barilla which subsequently are repackaged in the United States into packages of five pounds or less for sale in the United States. See *Anti-circumvention Inquiry of the Antidumping Duty Order on Certain Pasta from Italy: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 63 FR 54672 (October 13, 1998).

(4) On October 26, 1998, the Department self-initiated a scope inquiry to determine whether a package weighing over five pounds as a result of allowable industry tolerances may be within the scope of the antidumping and countervailing duty orders. On May 24, 1999 we issued a final scope ruling finding that, effective October 26, 1998, pasta in packages weighing or labeled up to (and including) five pounds four ounces is within the scope of the antidumping and countervailing duty orders. See Memorandum from John Brinkmann to Richard Moreland, dated May 24, 1999, on file in the CRU.

Price Comparisons

We calculated EP, CEP, and NV based on the same methodology described in the *Preliminary Results*, with the following exceptions:

De Cecco

We changed the negative discount values in De Cecco's U.S. sales database to positive values. See *Comment 8*.

We corrected two clerical errors in the calculation of CEP profit. See *Comment 9*.

We revised the calculation of indirect selling expenses incurred in the United States by De Cecco's U.S. affiliate, Prodotti Mediterranei, Inc. (PMI). See Analysis Memorandum for F.lli De Cecco di Filippo Fara S. Martino S.p.A. for the Final Results of the Second Administrative Review on *Certain Pasta from Italy*, February 7, 2000, on file in the CRU.

Maltagliati

We deducted billing adjustments from the home market gross price prior to recalculating imputed credit expenses. See *Comment 14*.

Rummo

We corrected certain clerical errors in the calculation of CEP profit. See *Comment 19*.

We revised U.S. movement expenses by recalculating warehousing expenses as a weighted average expense for all warehouses. See *Comment 20*.

Cost of Production

As discussed in the *Preliminary Results*, we conducted an investigation to determine whether each of the seven respondents participating in the review made home market sales of the foreign like product during the period of review (POR) at prices below their cost of production (COP) within the meaning of section 773(b)(1) of the Act.

For all respondents, we found 20 percent or more of the sales of a given product during the 12 month period

were at prices less than the weighted-average COP for the POR. Therefore, we determined that these below-cost sales were made in "substantial quantities" within an extended period of time, and that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(B), (C), and (D) of the Act. Therefore, for purposes of these final results, we disregarded these below-cost sales and used the remaining sales as the basis for determining NV, pursuant to section 773(b)(1) of the Act.

We calculated the COP for these final results following the same methodology as in the *Preliminary Results*, with the following exceptions:

De Cecco

We revised the variable cost of manufacture (VCOM) and total cost of manufacture (TCOM) components of De Cecco's COP and constructed value (CV) data in light of our reliance upon the major input rule. See *Comment 3*.

La Molisana

We revised the submitted COP and CV data to exclude costs of purchased pasta, where the supplier from whom the pasta was purchased could be identified. See *Comment 10*.

We removed the costs of purchased pasta from the variable material costs, such that La Molisana's DIFMER calculation was based on La Molisana's actual costs of producing pasta. See *Comment 11*.

Maltagliati

We revised the general and administrative (G&A) expense included in CV by multiplying the G&A expense ratio by the revised cost of manufacturing plus packing. See *Comment 17*.

We revised the interest expense ratio included in COP and CV by multiplying the short-term interest rate by the revised cost of manufacturing plus packing. See *Comment 18*.

Analysis of Comments Received

We gave interested parties an opportunity to comment on the *Preliminary Results*. As noted above, we received comments and/or rebuttal comments from the petitioners and certain respondents.

De Cecco

Comment 1: Application of CEP and Commission Offsets

De Cecco claims that the Department, through the erroneous application of an offset, overstated NV. According to De Cecco, when a CEP offset is granted and

commissions are paid in the home market but not in the United States, the Department reduces NV by the amount of the home market commission and by the CEP offset, which is equal to the lesser of the home market commission or indirect selling expenses incurred in the United States. De Cecco acknowledges that the CEP offset was correctly calculated and applied. De Cecco contends, however, that the Department incorrectly increased NV with a second offset, which was calculated as the lesser of home market commissions or U.S. indirect selling expenses incurred in Italy.

The petitioners allege that the Department incorrectly capped the home market commission offset for De Cecco's CEP sales by the amount of the U.S. indirect selling expenses incurred in Italy. As a result, the Department allowed a greater deduction from NV (*i.e.*, the subtraction of home market commissions), but a much smaller addition to the NV was made to offset the deduction. The petitioners, noting that De Cecco paid commissions on its home market sales but not on its U.S. sales, argue that the Department should have calculated the commission offset as the lesser amount of the home market commissions or the *entire amount* of U.S. indirect selling expenses for all of De Cecco's U.S. sales. Citing section 351.401(e) of the Department's regulations, which provides that the Department will limit the amount of the commission offset by the amount of indirect selling expenses incurred in the "one market," the petitioners contend that the Department's segregation of De Cecco's U.S. indirect selling expenses on the basis of geographical areas (*i.e.*, the United States and Italy) was inappropriate. The appropriate basis for segregating such expenses under the Department's regulations, the petitioners continue, is whether those indirect selling expenses were incurred for sales in the "one market" where commissions were not paid, not where those expenses were incurred. Furthermore, the petitioners cite past cases where the Department used the total amount of U.S. indirect selling expenses, rather than the limited amount of such expenses incurred in the respondent's home market, in its calculations for a home market commission offset.

DOC Position: We disagree with the petitioners and De Cecco. First, we disagree with the petitioners' argument that the commission offset should not be capped by the amount of indirect expenses attributable to De Cecco's CEP sales but incurred in Italy. The amount of De Cecco's indirect selling expenses

attributable to U.S. sales and associated with economic activities incurred in the United States are deducted from the CEP starting price under section 772(d) of the Act. Consequently, in order to avoid deducting the same indirect expenses twice, we must exclude from the commission offset calculation those indirect expenses associated with economic activities in the United States, which are already deducted in the calculation of the CEP.

Second, we disagree with De Cecco's argument, and believe that it may reflect De Cecco's misunderstanding of our prior explanation of the various adjustments to home market prices for indirect selling expenses. In accordance with section 351.410(e) of the Department's regulations, where commissions are incurred in one market (in this case the home market), but not in the other, we make an allowance for indirect selling expenses in the other market up to the amount of the commissions. In this case, because commissions were paid in the home market, but not in the United States, and thus were deducted from the home market price, we made an adjustment to offset the commission deduction. We make such an adjustment, which falls under the heading of a circumstance-of-sale adjustment, by adding the offset to home market price rather than subtracting it from the U.S. price. Thus, the overall adjustment to NV involves deducting home market commissions and then adding U.S. indirect selling expenses up to the amount of the home market commissions. As noted above, in CEP situations, the amount of U.S. indirect selling expenses available for purposes of the commission offset is limited by the extent to which such indirect selling expenses were incurred in the home market for U.S. sales.

Comment 2: Major Inputs

De Cecco argues that the Department should not use transfer prices to value transactions between De Cecco and Molino F.lli De Cecco di Filippo S.p.A. (Molino), its affiliated supplier of semolina, the major input of pasta. Instead, De Cecco claims that, for purposes of computing COP and CV, the Department should value transfers of semolina from Molino to De Cecco at Molino's cost.

De Cecco argues that the corporate entity Molino, 97.9 percent of which is owned by De Cecco and the remainder by shareholders of De Cecco's parent company, is in essence a wholly owned subsidiary of De Cecco. Although Molino is incorporated separately from De Cecco, Molino's semolina production and De Cecco's pasta-manufacturing

operation are part of a single integrated production process under the same ownership. De Cecco states that Molino's sole function is to process grain, selected by De Cecco, into semolina. The semolina is then transferred to De Cecco, which consumes all of Molino's semolina production, at a transfer price above Molino's COP. Therefore, De Cecco contends that the Department should value transfers of semolina from Molino to De Cecco at Molino's cost in order to reflect the economic and operational reality of the relationship and transactions between these two companies.

Noting that the Department "collapsed" De Cecco and Molino e Pastificio F.lli De Cecco S.p.A. (Pescara), another affiliated supplier of semolina and a pasta producer, De Cecco argues that Molino should be granted the same treatment since, as a provider of semolina to De Cecco, Molino is no different than Pescara. De Cecco claims that, because Molino conducts operations essential to De Cecco, Molino is in fact more integral to De Cecco than Pescara. De Cecco asserts that it would be inconsistent with the reasoning set forth in *Final Results of Antidumping Administrative Review: Certain Cold Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea*, 62 FR 18430 (April 15, 1997) (*Steel Flat Products from Korea*), to treat transfers of semolina from Molino to De Cecco differently from transfers of semolina from Pescara to De Cecco.

The petitioners observe that in the first administrative review of this proceeding, the Department rejected the same argument by De Cecco and employed the major-input rule inasmuch as Molino was separately incorporated from De Cecco during the POR. See *Notice of Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Pasta from Italy*, 64 FR 6615, 6621-6623 (February 10, 1999) (*96/97 Final Results*). Given that the law and the facts of this review are the same as the preceding review, the petitioners argue that the Department should continue to value Molino's semolina production at Molino's transfer price.

DOC Position: The Department does not agree that semolina De Cecco purchased from its affiliated supplier, Molino, should be exempt from the application of the major-input rule. Thus, in accordance with sections 773(f)(2) and (3) of the Act, for purposes of calculating COP and CV, we have continued to rely on the higher of the transfer price, the market price of the

inputs, or the actual costs incurred by the affiliated supplier in producing the input. This finding is consistent with the Department's final results in the first administrative review of this proceeding. See *96/97 Final Results*, 64 FR at 6621-6623.

As we noted in the *96/97 Final Results*, the Department has applied this interpretation consistently since implementation of the URAA, except in those situations where it treats respondents who are producers of the subject merchandise as a single entity for purposes of sales reporting and margin calculations. Because each company in question, De Cecco and Molino, is a separate legal entity in Italy, we disagree with the respondent that the operational reality of close association between the two companies outweighs the legal form of the entities.

Moreover, we disagree with De Cecco that Molino should be granted the same treatment as Pescara, a producer of the subject merchandise, because Molino's operational relationship to De Cecco renders it more integral to the respondent than Pescara. We collapsed the sales and production activities of Pescara and De Cecco in accordance with 19 CFR 351.401(f), not because of the integral nature of what each entity does for the other. Section 351.401(f) of the regulations provides for special treatment of affiliated producers where the potential for manipulation of prices or production in an effort to evade antidumping duties imposed on the sale of subject merchandise exists. In accordance with this section of the regulations, we collapse all sales prices and production costs of the affiliated entities as if they were a single company. Since we do not apply the major-input rule for transactions within the same company, the major-input rule does not apply for transactions between Pescara and De Cecco. Molino is solely a producer of semolina and not of the subject merchandise and thus, unlike Pescara, Molino is not subject to the collapsing regulation of section 351.401(f) of the Department's regulations. Therefore, we have continued to treat De Cecco and Molino as separate entities for the purposes of reporting costs. We have continued to treat Pescara, which is both a producer of the subject merchandise and a semolina supplier, and De Cecco as a single entity for sales reporting and the calculation of an antidumping margin for the final results. Thus, consistent with the exception to the major-input rule established in the *Steel Flat Products from Korea* case, we have collapsed De Cecco and Pescara for cost calculation purposes. In effect, the

Department, for purposes of these final results, has treated De Cecco and Pescara as one entity and, thus, the major-input rule is not applicable. Therefore, we have used the actual COP to value semolina obtained by De Cecco from Pescara.

Comment 3: Difference in Merchandise Adjustment

Assuming *arguendo* that the Department continues to employ the major-input rule and uses the transfer price between Molino and De Cecco, De Cecco contends that the Department should not make a difference in merchandise (DIFMER) adjustment for vitamin enrichment when comparing similar products. According to De Cecco, section 351.411(b) of the Department's regulations requires that the Department only consider differences in variable costs associated with physical differences in merchandise when adjusting for differences in merchandise compared. The only physical difference between pasta products sold in the home market and those sold in the United States is vitamin enrichment, *i.e.*, home market pasta products are not vitamin enriched (non-enriched pasta) whereas U.S. products are vitamin-enriched (enriched pasta). Thus, each product code sold in the United States has a comparable product sold in the home market that, with the exception of enrichment, is identical. Accordingly, De Cecco's per-unit cost of enrichment is the appropriate measure of the DIFMER adjustment. Because Molino transfers enriched and non-enriched semolina at the same price, however, De Cecco does not incur a difference in the variable cost of manufacturing enriched versus non-enriched pasta. De Cecco argues, therefore, that if the Department bases De Cecco's COP and CV on the transfer price from Molino under section 773(f)(3) of the Act, the transfer price is also the appropriate measure for the DIFMER adjustment.

The petitioners argue that the Department should continue to add a cost-based DIFMER adjustment to NV in order to account for physical differences in merchandise being compared. The petitioners note that while section 773(f)(3) of the Act governs the major-input rule, DIFMER adjustments are mandated by section 773(a)(6)(C)(ii) of the Act. Whereas the DIFMER requirement ensures that physical differences in merchandise are always considered when making product comparisons, the purpose of the major-input rule is to ensure that costs are properly captured for purposes of the sales-below-cost test. Therefore, the

petitioners contend that the Department has no discretion to disregard the physical differences of the merchandise being compared.

DOC Position: We agree with De Cecco. The petitioners' assertions overlook the fact that the Department does not rely on a respondent's reported costs solely for the calculation of COP and CV. We also use cost information in a variety of other aspects of our margin calculations. For example, when determining the commercial comparability of the foreign like product in accordance with section 771(16) of the Act, it has been our long-standing practice to rely on product-specific VCOMs and TCOMs for U.S. and home market merchandise. Likewise, when making a DIFMER adjustment to NV in accordance with section 773(b) of the Act, it has been our practice to calculate the adjustment as the difference between the product-specific VCOMs for the U.S. and home market merchandise compared. *See, e.g., Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 2557, 2573-74 (January 15, 1998).

As noted above in *Comment 2*, in calculating De Cecco's COP and CV for pasta, we employed the major-input rule and, consequently, valued the semolina used in the production of pasta at the transfer price from De Cecco's affiliate, Molino. In this case, the transfer price from Molino to De Cecco was the same for both enriched and non-enriched semolina. In valuing De Cecco's semolina cost to reflect the transfer price, we made a direct adjustment to De Cecco's reported COP and CV material costs, which had been valued by De Cecco at Molino's cost of production. Since material cost is a component of the VCOM and of the TCOM, and these are in turn components of COP and CV, we should also have adjusted the material cost component of both VCOM and TCOM to reflect the use of transfer price for the material cost, but did not. Accordingly, we have now adjusted the VCOM and TCOM to reflect the use of transfer price for the material cost and have made our determination of whether a DIFMER adjustment is appropriate using the revised VCOM data. This decision is consistent with section 773(a)(6) of the Act, which grants us the discretion to determine a suitable method to calculate a DIFMER adjustment and does not restrict our selection of an appropriate

methodology to any particular approach.

Comment 4: Vitamin Costs

According to the petitioners, the Department should adjust De Cecco's reported average cost of vitamin enrichment to reflect actual costs. Although De Cecco claimed that it calculated its vitamin cost by dividing the cost incurred for vitamins used during the POR by the total quantity of enriched pasta produced, the petitioners argue that non-enriched pasta products were included in the denominator. As a result, the petitioners continue, the unit cost for U.S. products to be added to NV as part of the DIFMER adjustment was understated. Therefore, the petitioners request that the Department exclude the production quantities of non-enriched pasta products from the denominator of the per-unit vitamin enrichment cost calculation.

De Cecco maintains that the submitted production quantity indeed includes only vitamin-enriched pasta produced by De Cecco for its U.S. affiliate, PMI. De Cecco claims that the petitioners' claim is inaccurate because the product codes questioned by the petitioners represent bulk pasta that is placed in containers for shipment, but is not packaged for sale at retail. Assuming *arguendo* that, for the final results, the Department relies upon De Cecco's cost information, including the costs of vitamin enrichment, De Cecco contends that the Department should continue to rely upon De Cecco's submitted per-unit vitamin enrichment costs.

DOC Position: As discussed above in *Comment 2*, the Department is recalculating De Cecco's VCOM and TCOM components of COP and CV in light of our reliance upon the major-input rule, thereby altering the DIFMER calculation. Because we are using a single transfer price from Molino for both enriched and non-enriched semolina, rather than Molino's costs, the arguments put forth by the petitioners and De Cecco as to the accuracy of the per-unit cost of vitamin enrichment in the DIFMER calculation are moot.

Comment 5: Classification of Sales as EP and CEP

The petitioners urge the Department to reclassify De Cecco's reported EP sales as CEP sales because of PMI's role in the EP channels of distribution. Although De Cecco stated in its responses that there is no difference between PMI's role in the EP and CEP channels of distribution and that De Cecco's CEP sales would qualify for EP sales were it not for the existence of inventory in the United States, the

petitioners allege that De Cecco's description of its sales process clearly indicates that the selling activities for its U.S. sales took place in the United States. For example, PMI invoiced U.S. customers and collected payments from U.S. customers and, therefore, according to the petitioners, took title to the pasta before selling the merchandise to U.S. customers. The petitioners argue that reclassification of De Cecco's reported EP sales as CEP sales is further supported by the methodology used by De Cecco to allocate PMI's indirect selling expenses equally over its U.S. sales, indicating that De Cecco considered the role PMI played in EP and CEP sales to be similar. Since the function of PMI was not limited to that of a "processor of sales-related documentation" and a "communications link" with the unaffiliated U.S. customer, the petitioners contend that the Department, consistent with its policy, should classify all of De Cecco's U.S. sales as CEP sales.

De Cecco counters that PMI's role in the U.S. sales process is consistent with that in the first administrative review and, therefore, the Department should continue to find that De Cecco correctly classified its U.S. sales. According to De Cecco, it classified its U.S. sales as EP sales where the subject merchandise was shipped directly from De Cecco's factory in Italy to the unaffiliated customer in the United States, the manner of sale and shipment was the customary channel between De Cecco and its unaffiliated customer, and the role of PMI was merely that of a "processor of sales-related documentation" and a "communications link" with the unaffiliated U.S. customer. In response to the petitioners' comments, De Cecco argues that PMI took title but not possession and never placed the subject merchandise in its inventory. Furthermore, invoicing customers, collecting cash payments, and taking title to the subject merchandise are consistent with the role of a sales-related paper processor and communications link. Given that PMI's functions are consistent with the Department's requirement that the role of the sales agent be limited to paper processing and providing a communications link with the unaffiliated U.S. customer, De Cecco maintains that the Department should not reclassify De Cecco's U.S. sales.

DOC Position: We agree with De Cecco that the facts on the record of this review show that the sales reported as EP sales should continue to be classified as EP sales. Pursuant to sections 772(a)

and (b) of the Act, an EP transaction is a sale of merchandise by a producer or exporter outside the United States for export to the United States that is made prior to importation. A CEP sale is a sale made in the United States, before or after importation, by or for the account of the producer or exporter or by an affiliate of the producer or exporter. In determining whether sales involving a U.S. subsidiary should be characterized as EP sales, the Department has examined the following criteria: (1) whether the merchandise was shipped directly from the manufacturer to the unaffiliated U.S. customer; (2) whether this was the customary commercial channel between the parties involved; and (3) whether the function of the U.S. affiliate is limited to that of a "processor of sales-related documentation" and a "communication link" with the unrelated U.S. buyer. *See, e.g., Porcelain-on-Steel Cookware from Mexico: Final Results of Antidumping Duty Administrative Review*, 64 FR 26934 (May 18, 1999); *Final Results of Antidumping Duty Administrative Review: Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Canada (Canadian Steel)* 63 FR 12725, 12738 (March 16, 1998). In the *Canadian Steel* case, the Department clarified its interpretation of the third prong of this test, as follows:

Where the factors indicate that the activities of the U.S. affiliate are ancillary to the sale (e.g., arranging transportation or customs clearance, invoicing), we treat the transactions as EP sales. Where the U.S. affiliate has more than an incidental involvement in making sales (e.g., solicits sales, negotiates contracts or prices, or provides customer support), we treat the transactions as CEP sales."

63 FR at 12738.

With respect to the first prong of the test, it is undisputed that the merchandise associated with the subject merchandise at issue was shipped directly from De Cecco's factory in Italy to the unaffiliated customer in the United States without passing through PMI's inventory.

With respect to the second prong of the test, this manner of sale and shipment is the customary commercial channel between the parties involved. EP sales were made with the participation of PMI in the investigation and in the immediately preceding review. Thus, this is a customary channel of trade. We note, however, that it is not necessary for EP sales to be the predominant channel of trade in a given review for it to be the customary channel between the parties involved.

With respect to the third prong of the test, the Department verified in the first administrative review that while PMI serves as a connection to De Cecco for supporting activities in the United States, prices, terms, and conditions in effect were established by De Cecco in Italy and were applied to all sales in the United States. *See Verification of the Sales Response of F.lli De Cecco di Filippo Fara S. Martino S.p.A. ("De Cecco")* in the First Administrative Review of the Antidumping Duty Order of *Certain Pasta from Italy*, dated September 2, 1998, at 8. The record in this review demonstrates no new fact pattern and supports a conclusion that PMI's participation in these sales relates to services among those the Department considers as being "ancillary" to the sale. PMI does not solicit or negotiate these sales, does not set the price for these sales, and provides little customer support in connection with these sales.

Therefore, for these final results, we are continuing to treat as EP transactions those sales which De Cecco reported as EP sales.

Comment 6: Indirect Selling Expenses Incurred in the United States

Assuming *arguendo* that the Department does not reclassify De Cecco's EP sales as CEP transactions, the petitioners argue that the Department should not grant De Cecco a CEP offset and should remove indirect selling expenses incurred by De Cecco in Italy from the CEP starting price. If the Department continues to accept De Cecco's classification of U.S. sales, grants a CEP offset, and retains De Cecco's indirect selling expenses in Italy in the CEP, the petitioners argue that the Department should reallocate indirect selling expenses incurred by PMI between De Cecco's reported EP and CEP sales. The petitioners note that De Cecco allocated indirect selling expenses incurred in the United States by PMI over all U.S. sales using the same ratio of indirect selling expenses over total sales revenue, regardless of whether the sales were EP or CEP, because PMI's role in EP and CEP sales did not differ. The petitioners contend, however, that De Cecco's allocation methodology is flawed since the selling activities for EP sales must take place outside the United States whereas the selling activities for CEP sales generally occur within the United States. In De Cecco's case, EP sales were made directly to distributors, while CEP sales were distributed from warehouses in the United States maintained by PMI. These CEP sales incurred additional costs related to inventory maintenance and transportation arrangements, which

were likely captured as part of PMI's indirect selling expenses. Hence, the petitioners urge the Department to reallocate De Cecco's total reported indirect selling expenses incurred by PMI for its U.S. sales such that all of these expenses are applied to CEP sales only (see, e.g., *Notice of Final Determination of Sales at Less than Fair Value: Stainless Steel Round Wire from Korea*, 64 FR 17342 (April 9, 1999)) or, alternatively, ensure that these expenses are allocated based on the proportion of EP and CEP sales.

De Cecco claims that the petitioners' arguments lack factual support and are based on a mischaracterization of the record in this review. According to De Cecco, PMI's role is fundamentally the same for EP and CEP sales. PMI's selling functions are limited since De Cecco sells almost exclusively to distributors and, but for the U.S. inventory used to supply certain customers, all U.S. sales would be classified as EP. The only cost differences between EP and CEP sales are those costs associated with transporting merchandise to and storing the merchandise in the U.S. warehouses. In addition, ocean freight, U.S. brokerage and handling, and other transport expenses were reported to account for differences in EP and CEP sales. PMI did not incur additional expenses as a result of communication with the warehouses since PMI sent orders for EP sales to Italy and orders for CEP sales to the warehouses and, therefore, did not expend any additional level of effort for CEP sales. Therefore, De Cecco urges the Department to reject the petitioners' allocation method in favor of the method submitted by De Cecco, which is consistent with the methodology used in the first administrative review.

DOC Position: We agree with De Cecco that the company's methodology is appropriate. In *Stainless Steel Round Wire from Korea*, we allocated U.S. indirect selling expenses entirely to CEP sales because the record indicated that the respondent had not isolated the expenses associated with the significantly active role, in terms of selling activities, played by the affiliate with respect to CEP sales. In its response, De Cecco listed four general categories of U.S. indirect selling expenses incurred by PMI: salaries and benefits, services, depreciation, and other income or expenses. Based on our analysis of the record, we find that there is no evidence indicating that these indirect selling expenses were proportionately related more to CEP sales. These expenses relate to all of De Cecco's sales in the United States during the POR, not just CEP sales. See De

Cecco's November 5, 1998 questionnaire response, at C-30, Exhibit C-16 (detailing the indirect selling expenses incurred in the United States by PMI). Therefore, we have continued to allocate these expenses among EP and CEP sales.

With respect to the petitioners' request that we deduct indirect selling expenses incurred in Italy for U.S. sales from the U.S. price to calculate the CEP, as explained above in *Comment 1*, section 772(d) of the Act requires that only those indirect selling expenses attributable to U.S. sales and associated with economic activities occurring in the United States be deducted from the CEP starting price. Accordingly, we have not altered our CEP calculation in this regard for these final results.

Comment 7: Home Market Rebates

The petitioners argue that the Department should disregard two of De Cecco's home market rebates ("Other Rebates #1" and "Other Rebates #2") as direct deductions from price since the record does not establish whether these two rebates were transaction-specific or were granted as a fixed percentage of sales price. According to the petitioners, the Department's practice, as affirmed by the United States Court of International Trade in *SKF USA, Inc. v. United States*, No. 97-01-00054, Slip Op. 99-56 at 8-15 (Ct. Int'l Trade June 29, 1999) (*SKF*), is to disregard rebates as direct deductions unless the actual amount for each individual sale was calculated. See also *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, Germany, Italy, Japan, Singapore, Sweden, and the United Kingdom: Final Results of Antidumping Duty Administrative Review and Partial Termination of Administrative Review*, 61 FR 66472, 66498 (Dec. 17, 1996) (*AFBs 93/94 Final Results*).

De Cecco asserts that the record is complete as to the nature of these rebates and the allocation methodology. All of De Cecco's rebates are granted in the normal course of business for programs known by the buyer in advance of the sale. According to De Cecco, the reported rebates are allocated as they were granted, by customer, over the sales to which they apply. As such, De Cecco contends that all of the rebates granted by De Cecco, including "Other Rebates #1" and "Other Rebates #2," meet the Department's established standards for direct adjustments to price.

DOC Position: We agree with De Cecco that the record is complete with respect to these two rebate categories. In

its November 5, 1998 questionnaire response, at page B-27, De Cecco described "Other Rebates #1" and "Other Rebates #2" as general rebate categories, granted for various reasons and including all other rebates granted to customers that cannot be classified into one of the other specific rebate categories. Thus, transaction-specific reporting was not feasible given the large number of sales and the miscellaneous nature of these adjustments. In describing the method by which rebates were reported to the Department, De Cecco stated that it "divided the total customer-specific rebate value for each type of rebate by the total net sales value for the customer" in order to derive an actual rebate ratio (emphasis supplied). See De Cecco's November 5, 1998 questionnaire response, at B-24. This rebate ratio, in turn, was applied to the unit price net of discounts to compute the specific rebate for each item listed on the invoice. Furthermore, De Cecco stated that it "computed the rebates for each of the rebate fields in the same manner." Thus, sufficient information was provided to establish that De Cecco's "Other Rebates #1" and "Other Rebates #2" were allocated on a reasonable customer-specific manner and otherwise in accordance with section 351.401(g) of the Department's regulations. Accordingly, for these final results, we have continued to treat "Other Rebates #1" and "Other Rebates #2" as direct deductions to home market prices.

With regard to *SKF*, we note that that case related to Department practice which pre-dated the URAA and adoption of section 351.401(g) of the Department's regulations. Although *AFBs 93/94 Final Results* was issued post-URAA, the Department's current allocation methodology for price adjustments was upheld by the United States Court of International Trade. See *Timken Co. v. United States*, 16 F. Supp. 2d 1102 (CIT 1998) (approving the Department's post-URAA policy for treating rebates as selling expenses where the information submitted is reliable and verifiable).

Comment 8: Negative U.S. Discounts

The petitioners observe that De Cecco reported negative values for "on invoice" discounts on certain U.S. sales, despite the fact that De Cecco's questionnaire responses stated that any discounts are reported as positive values. Accordingly, the petitioners suggest that the Department convert the negative discount amounts in De Cecco's U.S. sales database to positive amounts in order to make the reported

discount amounts consistent with De Cecco's narrative response.

De Cecco notes that these negative discounts are insignificant because each has its first non-zero value in the fifth position to the right of the decimal point, *i.e.*, thousandths of a cent. Consequently, De Cecco urges the Department to set these negative discounts to zero rather than converting the discounts to positive values.

DOC Position: We agree with the petitioners. De Cecco clearly stated in its November 5, 1998, questionnaire submission, at page C-14, that "[a]ny discount is reported as a positive value." Moreover, it is reasonable to presume that all discounts, where reported, are intended to be deductions from the U.S. gross unit price, irrespective of the significance of the charge. Therefore, for the final results we have converted the negative discount values in De Cecco's U.S. sales database to positive values.

Comment 9: CEP Profit

The petitioners claim that the Department made two errors with respect to selling expenses used in the calculation of CEP profit. First, the Department erroneously subtracted imputed credit and inventory carrying costs, which were reported by De Cecco on a pound basis, from total direct and indirect selling expenses, which were both converted from a pound basis to a kilogram basis earlier in the margin calculation program. Second, in attempting to deduct the sum of imputed inventory carrying costs incurred in the United States (when calculating the total actual selling expenses for U.S. sales), the Department inadvertently double-counted the field, thereby understating the CEP profit rate.

De Cecco agrees with the petitioners' suggested revisions to the calculation of CEP profit.

DOC Position: We agree with both parties and have made the appropriate changes for these final results.

La Molisana

Comment 10: Inclusion of Purchased Pasta Costs in COP

La Molisana claims that the cost of purchased pasta, where the unaffiliated supplier is identifiable, should not be included in the calculation of La Molisana's weighted-average COP for each control number (CONNUM). La Molisana alleges that in submitting COP and CV data to the Department, it erred by including in the weighted-average cost, by CONNUM, pasta that could be linked to specific unaffiliated suppliers. As a result of incorporating the price

paid for purchased pasta in the weighted-average cost calculations, the actual COP, weight-averaged by CONNUM, is distorted with respect to the number of home market sales appearing to fall below cost and the DIFMER adjustment calculation.

La Molisana urges the Department to revise the company's weighted-average COP and CV data to exclude the cost of pasta purchased from unaffiliated suppliers, where such suppliers can be separately identified, for purposes of the sales-below-cost test, for the following reasons: (1) the Department did not consider sales of pasta products that were purchased wholly from other manufacturers, and were identified as such in the sales databases, for purposes of the calculation of dumping margins; (2) the antidumping questionnaire instructed respondents to exclude the costs of purchased pasta from the weighted-average cost of manufacturing, where the supplier of the pasta type sold can be identified;³ (3) Appendix III of the antidumping questionnaire instructed respondents to weight-average costs for CONNUMs based on production volumes and costs incurred in the production process, but pasta purchased from unaffiliated suppliers is not part of La Molisana's production process; (4) the Department's established practice in this proceeding is to exclude separately identifiable purchased pasta from weighted-average costs; (5) pursuant to section 773(b)(3)(A) of the Act, the COP is equal to "the cost of materials of any kind employed in producing the foreign like product, during a period which would ordinarily permit the production of that foreign like product in the ordinary course of business," thus, given that pasta purchased from unaffiliated suppliers is not the foreign like product produced by La Molisana, it should not be included in the weighted-average costs; and (6) it is the Department's judicially-mandated duty to correct an "obvious and easily correctable" error (*see NTN Bearing Corp. v. United States*, 73 F.3d 1204 (1995) (remarking that it is the Department's duty to calculate accurate antidumping margins); *see also Koyo Seiko Co. v. United States*, 14 CIT 680, 682 (1990)

³ La Molisana concedes that the antidumping questionnaire required respondents to include commingled pasta in the weighted-average cost of manufacture. Commingled pasta is a pasta type that has been both produced by the respondent and purchased from an unaffiliated supplier, but which cannot be separately identified, in the weighted-average cost of manufacture. La Molisana claims, however, that the costs it is requesting that the Department remove are not of commingled pasta, but of pasta that can be specifically linked to other unaffiliated suppliers.

(emphasizing that fair and accurate determinations are critical for the proper administration of antidumping laws). Given the record evidence and the arguments set forth, La Molisana contends that the Department should correct the error in the cost information submitted by La Molisana for the final results.

The petitioners claim that La Molisana's arguments regarding its cost data are inconsistent with the respondent's statements in its questionnaire response. Specifically, La Molisana stated in its March 22, 1999, response that "[p]ursuant to the Department's instructions, La Molisana has recalculated the COP and CV for each CONNUM based on the actual cost of manufacturing incurred during the POR, *i.e.*, July 1, 1997 through June 30, 1998." As such, the petitioners contend that the Department should reject the information and arguments submitted by La Molisana.

DOC Position: We agree with La Molisana in part. When pasta purchased from an unaffiliated supplier cannot be separately identified for sales purposes by the respondent (so-called "commingled pasta"), the Department's practice is to include the cost of purchased pasta in the weighted-average cost of manufacture. If purchased pasta can be directly tied to specific sales by the respondent, the associated costs of that purchased pasta are excluded from the weighted-average cost of manufacture. The evidence on the record shows that La Molisana's reported COPs and CVs may include the cost of purchased pasta that was subsequently resold where the purchased pasta could be directly tied to specific sales.

In response to the Department's September 1, 1998, antidumping duty questionnaire,⁴ La Molisana included in its weighted-average costs, the price paid for pasta types and shapes that were purchased in part from outside suppliers, but which were commingled with pasta La Molisana itself manufactured, and thus which could not be linked to specific sales. However, La Molisana also erroneously included the costs of purchasing pasta, where the subsequent sales by La Molisana can be

⁴ Appendix V of the antidumping duty questionnaire required all respondents who made sales of commingled pasta during the POR "to provide a single weighted-average cost of manufacture reflecting the actual costs of manufacture and the costs associated with purchasing commingled pasta types" for each CONNUM in which the company had sales of commingled pasta. Respondents were also directed to exclude the costs of purchased pasta where the supplier of the pasta type sold could be identified in the weighted-average cost of manufacturing.

tied directly to the supplier from whom pasta was purchased. Although we instructed La Molisana to provide detailed worksheets illustrating how the weighted-average costs for each CONNUM were derived, La Molisana did not provide such worksheets for each unique CONNUM reported in the COP and CV databases. Therefore, we are unable to correct all of La Molisana's CONNUMs to exclude the costs of pasta types wholly purchased and subsequently resold by La Molisana. Consequently, where there is available information on the record to allow us to revise accurately La Molisana's COP and CV data to exclude costs of purchased pasta (where La Molisana did not produce that particular pasta type), we have done so for these final results.

Comment 11: DIFMER Calculation

According to La Molisana, the Department's calculation of the DIFMER adjustment incorrectly accounted for differences other than physical differences in merchandise, contrary to the Department's regulations. See 19 CFR 351.411 (requiring that the Department, in comparing U.S. sales with comparison market sales, make reasonable adjustments to NV for differences in physical characteristics between the merchandise sold in the United States and the merchandise sold in the foreign market that have an effect on prices). La Molisana contends that the only physical difference between the merchandise sold in the home market and the United States is that the merchandise sold in the United States is vitamin-enriched and has a minuscule difference in the cost of scrap. Due to La Molisana's improper inclusion of purchased pasta in the reported weighted-average COP and CV databases, however, the DIFMER adjustment calculated by the Department for La Molisana contains significant cost differences between virtually identical products sold in the home market and the United States. This problem will be resolved, La Molisana concludes, if the Department recalculates weighted-average costs in light of the error described above in *Comment 10*. Thus, La Molisana urges the Department to recalculate La Molisana's DIFMER adjustment based on the fact that the only physical differences in merchandise between merchandise sold in the United States and in the home market is for vitamin enrichment and scrap.

According to the petitioners, given La Molisana's own statements on the record that the same CONNUMs in the home market may have a slightly different cost of production than the

corresponding CONNUM of pasta exported to the United States, the Department should reject La Molisana's arguments regarding the DIFMER adjustment. Specifically, La Molisana stated that differences in the VCOM between CONNUMs of pasta sold in the home market and of pasta exported to the United States exist, in part, because CONNUMs in the home market contain a greater variety and number of pasta shapes and pasta types, some of which are more expensive and more costly to produce or that are only purchased from unrelated suppliers.

DOC Position: Pursuant to 19 CFR 351.411, in making a reasonable allowance for differences in the physical characteristics of merchandise sold in the home market that is compared to merchandise sold in the United States, the Department "will consider only differences in the variable costs associated with the physical differences" (emphasis supplied). As noted above in *Comment 10*, La Molisana was required to provide a single weighted-average cost of manufacture by CONNUM to reflect "the actual costs of manufacture and the costs associated with purchasing commingled pasta types." Since material cost is a component of the VCOM and the TCOM, and these in turn are components of COP and CV, we adjusted La Molisana's reported material costs to reflect the costs associated with purchasing commingled pasta types. We note, however, that the costs of purchased pasta do not solely contain the variable cost elements of producing pasta, but also include fixed cost elements. In order to eliminate the possibility of distortions in La Molisana's DIFMER adjustment, it is appropriate to base the calculation solely on the basis of La Molisana's actual costs of producing pasta. Accordingly, based on available information on the record, we have altered our DIFMER calculation for these final results to remove the costs of purchased pasta from the variable material costs. See Analysis Memorandum for La Molisana Industrie Alimentari S.p.A. for the Final Results of the Second Administrative Review on *Certain Pasta from Italy*, February 7, 2000.

We further note that the reliance on La Molisana's actual costs of production for the DIFMER adjustment calculation is distinguished from De Cecco's DIFMER calculation, described above in *Comment 3*, inasmuch as De Cecco purchased semolina, which is a variable cost component of producing pasta.

Maltagliati

Comment 12: Treatment of Customer Categories in Level of Trade Analysis

Maltagliati claims that flaws in the Department's level of trade (LOT) methodology caused the Department to erroneously combine home market customer categories 3 (distributors) and 4 (retailers) into a single home market LOT.

First, the Department's quantitative analysis of selling functions should be based on the quantity (weight) of customer category sales associated with a selling function, rather than on the number of customer category transactions for a selling function. Maltagliati claims that nothing it does in the sale of pasta or in the servicing of customers to achieve those sales is based on the number of observations, Maltagliati provides its own LOT analysis based on quantities sold and claims that the results of this analysis supports classifying customer category 3 into a separate LOT (which Maltagliati claims is similar to the U.S. LOT in terms of both selling functions and average sales quantity).

Maltagliati then claims that, by averaging the specific selling activities captured in the selling activity group⁵ for sales administration and marketing support into one overall figure, the Department has diluted the significance of these activities. This error is further compounded when the Department summarizes the results of its LOT analysis for each of its five selling activity groups, and gives the sales administration and marketing support selling activity group the same weight as that of the other four selling activity groups. Maltagliati further argues that two of the Department's five selling activity groups (freight and delivery, and warehousing) are not true selling functions which influence whether or not a sale will be made, but rather are freight-related activities which occur as a result of the sale. As such, these selling activity groups should be excluded from the Department's LOT analysis.

Finally, Maltagliati argues that the Department did not apply the same complete LOT analysis to Maltagliati that it applied to La Molisana, another respondent in this review. Maltagliati asserts that, even though Maltagliati and

⁵ See Memorandum for Gary Taverman from John Brinkmann, "97/98 Administrative Review of Pasta from Italy and Turkey: Level of Trade Findings," dated August 2, 1999 (*LOT Memo*) (setting forth sales process and marketing support, freight and delivery, warehousing, advertising, and quality assurance/warranty service as the selling activity groups considered in the LOT analysis)

La Molisana had similar levels of selling expense differences in the customer categories analyzed, the Department ultimately looked at the place of La Molisana's customer categories in the chain of distribution to determine their appropriate LOT. Maltagliati asserts that, if this methodology is applied to Maltagliati, the Department will find that Maltagliati's home market distributor customer category is at a different LOT than its retail home market customer category, and that the home market distributor customer category is at the same LOT as its U.S. LOT.

The petitioners contend that the Department applied its standard LOT analysis and properly classified Maltagliati's home market retail and distributor customer category sales as the same LOT. They counter Maltagliati's claim that the Department should measure selling activities on the basis of quantity sold by noting that this approach is not supported by the statute or the Department's regulations and practice, and fails simple reasoning. They cite, *inter alia*, section 351.412(c)(2) of the Department's regulations, which states that the Department "will determine that sales are made at different levels of trade if they are made at different marketing stages," as an example of the emphasis on measuring the activities of "sales" rather than quantities, and of the Department's obligation to measure how frequently the selling activity is utilized in the different marketing stages. Since sales "observations" reported by Maltagliati are analogous to sales, it is proper for the Department to rely upon reported observations to determine the frequency with which certain claimed selling activities were incurred within each customer category. They further note that measuring by quantity sold does not affect the level of effort required to perform a selling function. For example, if freight service was offered to customers in customer categories 3 and 4, regardless of quantity sold, the same selling functions must be performed (*e.g.*, contacting the freight company, receiving a freight quote, hiring the freight company, and paying the freight company). The quantity sold does not alter or change the effort or amount of the selling function in any manner, and the only varying factor is whether a particular selling activity was performed for a particular sale.

Regarding Maltagliati's contention that the discounts, rebates and commissions included in the sales administration and marketing support selling activity should be segregated into separate selling activity groups, the

petitioners note that these components are direct deductions to the gross unit price. As "like selling activities" it is therefore appropriate to analyze all types of price adjustments in a single category. Finally, the petitioners reject Maltagliati's argument that freight and delivery and warehousing are not true selling activities. Contrary to Maltagliati's position, offering freight on a sale could help make the sale in the first place if the customer finds value in that selling activity.

DOC Position: We agree with Maltagliati that customer categories 3 (distributors) and 4 (retailers) should be classified as separate and distinct LOTs in the home market; however, we have made this determination based on a reconsideration of the quantitative and qualitative information described in the preliminary results *LOT Memo*. We continue to disagree with Maltagliati that the Department's LOT analysis should be based on quantity of merchandise sold, rather than the number of sales, and that the Department's classification and consideration of LOT selling groups and activities was distortive.

In determining the sufficiency of Maltagliati's claim that distributors and retailers constitute separate home market LOTs, we reconsidered the services performed for sales to distributors and retailers in each of the selling activity groups. For the sales administration and marketing support selling activity group, we observed that Maltagliati provided retailers with more types of discounts (*i.e.*, category discounts, promotional discounts, and quantity discounts) than it did to distributors and relied upon sales agents more frequently for sales to distributors than for sales to retailers. We further find that the types of year-end rebates in question are based on the quantity of pasta purchased over the year, and do not require the same level of sustained selling activities associated with the discounts, which often must be determined on a sale-specific basis. Therefore, for these final results we have concluded that for the sales administration and marketing support selling activity group, Maltagliati performs a higher level of selling activities for retailers than it does for distributors.

In reconsidering the types of selling activities performed in the advertising and sales promotion selling activity group, we have determined that Maltagliati places a much stronger emphasis on advertising and promoting sales to retailers than to distributors. Examples of direct advertising in the home market include: leaflets

announcing short-term promotions to consumers, hiring of people to stand in stores to direct consumers to the promoted product, advertising on trucks, advertising in newspapers, advertising on telephone book/yellow pages, promotional items (*e.g.*, caps, pens, aprons, posters, football team t-shirts, and other related activities), brochures, catalogs, and attendance at food fairs. See Maltagliati's October 6, 1998 questionnaire response, at A-8; Analysis Memorandum for Pastificio Maltagliati S.p.A. in the Preliminary Results in the Second Administrative Review on *Certain Pasta from Italy*, August 2, 1999, at Attachment 2, page 5; see also *infra Comment 13*. The nature of these activities demonstrates that, in terms of the number and variety of advertising programs, most of Maltagliati's advertising activities are directed at consumers, the customers of retailers, rather than at the customers of distributors (*e.g.*, retailers, restaurants). Therefore, for the final results, we have concluded that Maltagliati performs a higher level of selling activity for advertising and sales promotion for retailers than it does for distributors.

Based on the higher degree of selling activities associated with sales process and marketing support, and advertising, that Maltagliati performs with respect to retailer sales, we now consider distributors and retailers to constitute separate levels of trade in the home market. Furthermore, we have determined that home market sales at the distributor level of trade were made at the same level of trade as U.S. sales, and for the final determination, where possible, we have compared Maltagliati's U.S. sales to the distributor LOT in the home market. See Final Results Analysis Memorandum for Pastificio Maltagliati S.p.A., December 7, 1999.

Since we have subsequently classified Maltagliati's retail and distributor sales as separate LOTs, for the reasons noted above, the specific objections raised by Maltagliati concerning the Department's LOT analysis of Maltagliati are moot. However, it should be noted that the final LOT analysis for Maltagliati was based on the same general methodology described by the Department in the *LOT Memo*, which was utilized in the *Preliminary Results*. We disagree with Maltagliati's principal arguments that the Department should measure utilization of a selling activity by the quantity of merchandise sold. We further disagree that the Department's categorization of selling activities into five selling activity groups has diluted the significance of certain selling activities (*i.e.*, those in the sales

administration and marketing support) while other activities, such as freight and warehousing, are not selling activities but rather freight-related activities that occur as a result of the sale. The Department's bases for measuring a company's utilization of claimed selling activities and for categorizing selling activities into selling activity groups are fully explained in the *LOT Memo*.

Comment 13: Treatment of Advertising Expense

The petitioners argue that Maltagliati's home market advertising expenses are general in nature and should be treated as indirect selling expenses. The petitioners explain that qualifying advertising expenses (*i.e.*, direct advertising) are only those advertising expenses that are directed at the customer's customer. In particular, the petitioners claim that Maltagliati's most significant claimed advertising expense, incurred for an international food exhibition, CIBUS, was not specifically directed to Maltagliati's customers' customers.

Maltagliati explained that the Department verified and found the claimed advertising expenses were aimed at either Maltagliati's distributors' customers (*i.e.*, aimed at retailers), or at the Maltagliati's retailers' customers (*i.e.*, aimed at end users). Therefore, these expenses were specific and direct.

DOC Position: We agree with Maltagliati and continue to treat the reported home market advertising as a direct expense. At verification we noted that "all advertising included as a direct expense appeared to be targeted at Maltagliati's customers' customer." See Verification of the Questionnaire Response of Pastificio Maltagliati S.p.A. ("Maltagliati") in the Second Administrative Review of the Antidumping Duty Order of Certain Pasta from Italy, June 22, 1999, at 25, 26. Moreover, we consider the CIBUS fair to be a direct advertising expense because, as we noted at the sales verification, this fair, which was open to the public, was attended by the customers of Maltagliati's customers, including retailers (distributors' customers) and end-users (retailers' customers).

Comment 14: Calculation of Imputed Credit

The petitioners claim that the Department failed to deduct billing adjustments from the home market gross price before calculating the imputed credit expense.

Maltagliati argues that billing errors are usually found and corrected after a

customer pays for its purchase. As a result, Maltagliati suggests that taking a credit on this expense is appropriate.

DOC Position: We agree with the petitioners. Credit expenses are the costs of financing sales accounts receivables. Imputed credit expenses, therefore, represent the amounts that the Department attributes to theoretical interest expenses incurred between the shipment date and payment date. In this respect, a billing adjustment is only made because a mistake was made in billing. Therefore, in order to accurately calculate imputed credit, it is appropriate to deduct billing adjustments before calculating imputed credit. We note that in the Preliminary Results we deducted billing adjustments from the U.S. gross price before calculating the U.S. imputed credit expense. Therefore, for these final results, we have deducted home market billing adjustments from the gross price before calculating the home market imputed credit expense.

Comment 15: Calculation of Entered Value

The petitioners claim that the Department incorrectly calculated the entered value used to calculate the countervailing duty adjustment by failing to deduct U.S. customer discounts, U.S. duties, and U.S. commissions from the gross price.

Maltagliati argues that entered value is typically based on an F.O.B. price and that only ocean freight and marine insurance should be deducted from the C.I.F. or C & F duty paid price to obtain the F.O.B. price.

DOC Position: We agree in part with the petitioners and in part with Maltagliati. Where the actual entered value has not been provided in the U.S. sales response, it is the Department's practice to estimate entered value on an F.O.B. basis. For instance, in *Polyvinyl Alcohol from Taiwan: Final Results of Antidumping Duty Administrative Review*, 63 FR 32810 (June 16, 1998), we estimated the entered value by deducting international movement expenses from the sales value. Since all of Maltagliati's commissions in this review are incurred and paid by the seller and are not part of the actual value of the invoice, we are not deducting the commissions from the gross price to calculate entered value. However, we note that in Maltagliati's case, some of the sales terms are C.I.F. or C & F duty paid. In addition, with regard to discounts, we agree with the petitioners that discounts recorded on the invoice as deductions to the gross unit invoice price should be deducted from the gross unit price for purposes of

determining entered value in order to reflect the actual amount invoiced to the customer. Therefore, for the final results, in addition to deducting ocean freight and marine insurance, we are also deducting U.S. duty and on-invoice discounts from the gross U.S. price to calculate entered value.

Comment 16: Conversion into Proper Unit of Measure

The petitioners argue that the Department failed to convert U.S. advertising expenses to the proper unit of measure.

Maltagliati notes that the Department manually recalculated the U.S. advertising expenses and inserted the correct expense into the SAS program.

DOC Position: We agree with Maltagliati. See Analysis Memorandum for Pastificio Maltagliati S.p.A. in the Preliminary Results in the Second Administrative Review on Certain Pasta from Italy, August 2, 1999, at Attachment 3.

Comment 17: Calculation of General and Administrative Expenses

The petitioners argue that the Department failed to add packing to the total cost of manufacture before calculating G&A expenses for CV.

Maltagliati explains that it is a moot point since no U.S. sales were matched to CV.

DOC Position: We agree with the petitioners. Maltagliati calculated its G&A expenses based on a sales denominator that included packing. When this ratio is multiplied by a cost of manufacturing that is exclusive of packing, as was done in the preliminary calculations, the resulting G&A amount is understated. Consequently, for the final results, we have corrected our calculations by adding U.S. packing costs to the revised cost of manufacture before calculating CV.

Comment 18: Calculation of Interest Expense

The petitioners argue that the Department failed to recalculate interest expense, for the purposes of COP and CV, based on the revised cost of manufacture resulting from changes in the cost of semolina that the Department identified at verification.

DOC Position: We agree with the petitioners and have recalculated interest expense based on the revised cost of manufacture. Furthermore, for the reasons delineated in *Comment 17*, we have added home market and U.S. packing, respectively, to the total cost of manufacturing before recalculating interest expense for COP and CV.

Rummo

Comment 19: CEP Profit

According to Rummo, in calculating the total net revenue component of the CEP profit, the Department incorrectly converted U.S. quantity from pounds to kilograms. Rummo contends that the effect of multiplying per-unit amounts expressed in U.S. dollars per pound by kilograms instead of pounds overstates the amount of U.S. revenue for each sale. This in turn inflates Rummo's CEP profit ratio because the total revenue amount used to calculate the profit is overstated.

The petitioners claim that, based on the record, it is ambiguous as to whether U.S. quantity is reported in pounds or kilograms. Assuming arguendo that U.S. quantity was reported in pounds, the petitioners note that the Department did not convert U.S. quantity from pounds to kilograms because U.S. quantity was multiplied, not divided, by 2.20462 when calculating total net revenue. Since the Department consistently calculated revenue, selling expenses and movement expenses by multiplying these items by 2.20462, the petitioners argue that the Department should not make any changes to the final margin program.

DOC Position: We agree with Rummo that we miscalculated the CEP profit ratio. We disagree, however, with Rummo's assessment that we inadvertently converted U.S. quantity from pounds to kilograms. As the petitioners noted, we multiplied, not divided, U.S. quantity by 2.20462. Therefore, we have corrected the calculation of U.S. revenue, selling expenses, and movement expenses. In addition, we discovered that an error existed in the calculation of U.S. cost of goods sold, in that we did not convert U.S. quantity from pounds to kilograms where the record is clear that U.S. quantity was reported in pounds. Therefore, in the final margin calculation program, we have converted U.S. quantity from pounds to kilograms in the calculation of U.S. cost of goods sold for purposes of determining CEP profit.

Comment 20: U.S. Warehousing Expenses

Rummo argues that the methodology by which the Department calculated the per-unit U.S. warehousing expense is incorrect because it did not account for transshipments between warehouses. The Department had calculated per-unit U.S. warehousing expense by dividing the cost of operating each warehouse by the total quantity of pasta sold from each warehouse. Rummo contends that

since a given warehouse may transfer pasta to another warehouse and incur an expense that is captured in the numerator, the denominator should include the sum of pasta sold out of a warehouse and the quantity of pasta transshipped to another warehouse. The Department's methodology overstated the per-unit warehouse expense for warehouses that transshipped a large quantity of pasta, yet only sold a small quantity of pasta. If the Department disagrees with the above methodology, Rummo suggests that the Department use a simple average for warehousing expense.

The petitioners contend that since Rummo improperly reported warehousing expense as an indirect selling expense instead of a movement expense, the Department should not recalculate warehousing expense using transshipped quantities. Furthermore, the petitioners note that the transshipped quantities were not verified.

DOC Position: The Department agrees with Rummo that the methodology used in the *Preliminary Results* overstated certain per-unit warehouse expenses. However, the Department disagrees with Rummo's suggestion to calculate a per-unit warehouse expense by dividing total expenses incurred by the sum of quantity sold and transshipments. The warehousing expense should capture expenses incurred only from sold pasta.

Therefore, for the final results, the Department calculated a weighted-average warehousing expense by dividing the sum of expenses incurred from each warehouse by the total quantity of pasta sold from each warehouse.

Comment 21: Treatment of In-Store Demonstration Expenses

In the *Preliminary Results*, the Department reclassified in-store demonstration expenses, reported by Rummo as indirect selling expenses, as direct selling expenses because such expenses were aimed at Rummo's customers' customer. Rummo argues that in-store demonstration expenses are properly classified as indirect selling expenses. Although Rummo pays a fee to a company to perform in-store demonstrations, Rummo has no control over whether any demonstrations are actually performed. Thus, Rummo claims that it is improper to treat these expenses as "advertising" expenses when Rummo is uncertain as to whether the funds were even used for advertising.

The petitioners assert that Rummo would not pay a fee to a company unless it received some service in

return. Otherwise, Rummo would renegotiate its agreement in order to exclude these fees. Moreover, these fees should be classified as direct expenses since they are aimed at the customers of Rummo's customers.

DOC Position: We agree with the petitioners. Rummo never claimed in its responses that it paid a fee to a company for in-store demonstrations without certain knowledge as to whether the in-store demonstrations actually occurred. Section 351.410(d) of the Department's regulations defines expenses that are assumed by the seller on behalf of the buyer as "assumed expenses" or "assumptions" which are treated as direct selling expenses. For this reason, an assumption of the advertising expense to a customer's customer is often referred to as "direct advertising" and is treated as a direct expense. See *Notice of Final Results and Antidumping Duty Administrative Review: Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Singapore, and the United Kingdom*, 62 FR 2102 (January 15, 1997) (Comment 5); see also *Antidumping Duties; Countervailing Duties; Proposed Rule*, 61 FR 7308, 7346-47 (1996). Therefore, we are continuing to treat in-store demonstration expenses as direct selling expenses.

Final Results of Review

As a result of our review, we determine that the following margins exist for the period July 1, 1997 through June 30, 1998:

Manufacturer/Exporter	Margin (percent)
Corex	zero
De Cecco	0.44 (de minimis)
La Molisana	15.71
Maltagliati	14.99
Pallante	3.44
Puglisi	0.19 (de minimis)
Rummo	2.41

The Department shall determine, and the United States Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(1), we have calculated importer-specific assessment rates by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the estimated entered value of the same merchandise. We will direct the United States Customs Service to assess antidumping duties on appropriate entries by applying the assessment rate to the entered value of the merchandise entered during the POR, except where the assessment rate is zero or *de minimis* (see 19 CFR 351.106(c)(2)).

Cash Deposit Requirements

To calculate the cash-deposit rate for each producer and/or exporter included in this administrative review, we divided the total antidumping duties due for each company by the total net value for that company's sales during the review period.

Furthermore, the following cash deposit rates will be effective for all shipments of certain pasta from Italy entered, or withdrawn from warehouse, for consumption upon publication of the final results of this administrative review, as provided by section 751(a)(2)(A) and (C) of the Act: (1) The cash deposit rates for the companies listed above will be the rates indicated above, except if the rate is less than 0.5 percent and, therefore, *de minimis*, the cash deposit will be zero; (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 final results in which that manufacturer or exporter participated; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent final results for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 11.26 percent, the "All Others" rate established in the LTFV investigation. See *Notice of Antidumping Duty Order and Amended Final Determination of Sales at Less Than Fair Value: Certain Pasta from Italy*, 61 FR 38547 (July 24, 1996). These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance

with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply is a violation of the APO.

This determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: February 7, 2000.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 00-3391 Filed 2-11-00; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-427-001]

Sorbitol From France: Final Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration.

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

SUMMARY: On December 22, 1999 the Department of Commerce (the Department) published the preliminary results of review of the antidumping duty order on sorbitol from France. This review covers one manufacturer/exporter of the subject merchandise to the United States and the period April 1, 1998 through March 31, 1999. We gave interested parties an opportunity to comment on our preliminary results. We received no comments. The final results of review are unchanged from those presented in the preliminary results of review.

EFFECTIVE DATE: February 14, 2000.

FOR FURTHER INFORMATION CONTACT: Fred Baker or Robert James, AD/CVD Enforcement Group III—Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482-2924 (Baker), (202) 482-5222 (James).

SUPPLEMENTARY INFORMATION:

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 Round Agreements Act (URAA). In addition, unless otherwise indicated, all

references to the Department's regulations are to 19 CFR Part 351 (1999).

Background

The Department published an antidumping duty order on sorbitol from France on April 9, 1982 (47 FR 15391). The Department published a notice of "Opportunity to Request an Administrative Review" of the antidumping duty order for the period April 1, 1998 through March 31, 1999 on April 15, 1999 (64 FR 18600). On April 30, 1999, SPI Polyols, Inc. (petitioner) requested that the Department conduct an administrative review of Roquette Freres (Roquette). We published a notice of initiation of the review on May 28, 1999 (64 FR 28973).

On December 22, 1999 the Department published in the **Federal Register** the preliminary results of review of the antidumping duty order (64 FR 71727). The Department has now completed this administrative review in accordance with section 751 of the Act.

Scope of the Review

The merchandise under review is crystalline sorbitol. Crystalline sorbitol is a polyol produced by the catalytic hydrogenation of sugars (glucose). It is used in the production of sugarless gum, candy, groceries, and pharmaceuticals.

Crystalline sorbitol is currently classifiable under item 2905.440.00 of the *Harmonized Tariff Schedule of the United States* (HTSUS). Although the HTSUS subheading is provided for convenience and Customs purposes, the written description of the merchandise under review is dispositive of whether or not the merchandise is covered by the review.

Final Results of the Review

We gave interested parties an opportunity to comment on the preliminary results. We received no comments. We made no changes to our analysis; therefore, we determine that a weighted-average dumping margin of 12.07 percent exists for Roquette for the period April 1, 1998 through March 31, 1999.

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. The Department shall issue appraisal instructions directly to the Customs Service. For assessment purposes, we intend to instruct Customs to collect duties equal to 12.07 percent of the entered value of the subject merchandise.

Furthermore, the following deposit requirements will be effective upon