[Docket 44–95]

Foreign-Trade Zone 21, Charleston, South Carolina; Application for Expansion

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the South Carolina State Ports Authority (SCSPA), grantee of Foreign-Trade Zone 21, Charleston, South Carolina, requesting authority to expand its zone to include a site in Myrtle Beach, South Carolina, adjacent to the Georgetown Customs port of entry. The application was submitted pursuant to the provisions of the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR Part 400). It was formally filed on August 15, 1995.

FTZ 21 was approved on June 12, 1975 (Board Order 106, 40 FR 25613, 6/17/75) and expanded on February 28, 1995 (Board Order 734, 60 FR 12735, 3/8/95). The zone project includes 6 general-purpose sites in the Charleston, South Carolina, Customs port of entry: *Site 1* (134 acres)—Tri-County Industrial Park, Summerville; *Site 2* (57 acres)—Cainhoy Industrial Park, Wando; *Site 3* (160 acres)—Crowfield Corporate Center, Goose Creek; *Site 4* (998 acres)—Low Country Regional Industrial Park, Early Branch; *Site 5* (2,017 acres)—SCSPA's terminal complex, Charleston; *Site 6* (19 acres)—Meadow Street Business Park, Loris; and, *Temporary Site* (23 acres; expires December 31, 1997)—Wando Park, Mount Pleasant.

The applicant is now requesting authority to further expand the general-purpose zone to include an additional site (proposed *Site 7*—1,782 acres) at the Myrtle Beach International Airport, including a portion of the former Myrtle Beach U.S. Air Force Base, Myrtle Beach (Horry County), South Carolina. The former Air Force Base site is in the process of being transferred to the Myrtle Beach Air Base Redevelopment Authority.

No specific manufacturing requests are being made at this time. Such requests would be made to the Board on a case-by-case basis.

In accordance with the Board's regulations, a member of the FTZ Staff has been designated examiner to investigate the application and report to the Board.

Public comment on the application is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is October 23, 1995. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period (to November 6, 1995).

A copy of the application and accompanying exhibits will be available for public inspection at each of the following locations:

U.S. Department of Commerce, District Office, 81 Mary Street, Charleston, South Carolina 29402;
and
Office of the Executive Secretary, Foreign-Trade Zones Board, Room 3716, U.S. Department of Commerce, 14th and Pennsylvania Avenue, NW., Washington, DC 20230.

Dated: August 17, 1995

John J. Da Ponte, Jr.,

Executive Secretary

[FR Doc. 95–20931 Filed 8–22–95; 8:45 am]

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International Trade Administration

[A–588–815]

Gray Portland Cement and Clinker From Japan; Final Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Final Results of Antidumping Duty Administrative Review.

SUMMARY: On February 11, 1994, the Department of Commerce (the Department) published the preliminary results of review of the antidumping duty order on gray portland cement and clinker from Japan. The review covers one manufacturer/exporter, Onoda Cement Co., Ltd., and the period May 1, 1992, through April 30, 1993.

We gave interested parties an opportunity to comment on the preliminary results. Based on our analysis of the comments received, and the correction of clerical errors, we have changed the final results from those presented in the preliminary results of review.

EFFECTIVE DATE: August 23, 1995.

FOR FURTHER INFORMATION CONTACT: David Genovese or Michael Heaney, Office of Antidumping Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC. 20230; telephone (202) 482–5254.

SUPPLEMENTARY INFORMATION:

Background

On May 3, 1993, the Ad Hoc Committee of Southern California Producers of Gray Portland Cement (the petitioner) requested that the Department conduct an administrative review of the antidumping duty order on gray portland cement and clinker from Japan (56 FR 21658, May 10, 1991) for Onoda Cement Co., Ltd. (Onoda). We initiated the review, covering the period May 1, 1992, through April 30, 1993, on June 25, 1993 (58 FR 34414). On February 11, 1994, we published the preliminary results of the administrative review (59 FR 6614). The Department has now completed the administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

Scope of the Review

The products covered by this review are gray portland cement and clinker from Japan. Gray portland cement is a hydraulic cement and the primary component of concrete. Clinker, an intermediate material produced when manufacturing cement, has no use other than grinding into finished cement. Microfine cement was specifically excluded from the antidumping duty order.

Gray portland cement is currently classifiable under the Harmonized Tariff Schedule (HTS) item number 2523.29, and clinker is currently classifiable under HTS item number 2523.10. Gray portland cement has also been entered under item number 2523.90 as ''other hydraulic cements''.

The HTS item numbers are provided for convenience and Customs purposes. The written product description remains dispositive as to the scope of the product coverage.

Analysis of Comments Received

We gave interested parties an opportunity to comment on the preliminary results. We received comments from the petitioner and from the respondent. At the request of the petitioner and respondent, we held a public hearing on March 29, 1994.

Comment 1

Petitioner argues that the Department inaccurately adjusted FMV for home market indirect selling expenses in those instances where the Department compared U.S. sales of cement imported into the United States and further manufactured into concrete with sales of cement in the home market. Where such comparisons occurred, petitioner states that, because the imported merchandise was cement, the Department appropriately deducted further manufacturing costs and attempted to make cement-to-cement comparisons. However, petitioner

asserts that, for purposes of 19 CFR 353.56(b)(2), the Department must make an adjustment to the U.S. indirect selling expense figure for U.S. concrete sales, since Onoda's data reflect the expenses incurred on sales of concrete in the United States, not sales of cement. Petitioner maintains that 19 CFR 353.56(b)(2) directs the Department to limit the home market indirect selling expense adjustment to the amount of the indirect selling expense incurred on the U.S. merchandise. In petitioner's view, this requires the Department, for the purpose of establishing the appropriate adjustment to FMV for indirect selling expenses, to recalculate the indirect selling expense figure for the U.S. sales of concrete so that they reflect the cement equivalent. In this manner, petitioner concludes that the Department will meet the requirements of the regulations by limiting the indirect selling expense adjustment to home market sales of cement to those expenses associated with sales of cement in the United States.

Onoda argues that the Department should base the exporter's sales price (ESP) ''cap'' on the entire amount of indirect selling expenses associated with ESP sales as it did in the 1990/92 review of this order. Onoda asserts that this method of determining the ESP cap is appropriate because indirect selling expenses associated with ESP sales can not be ascribed to foreign production and U.S. further manufacturing. Onoda cites the Court of International Trade's ruling in *Torrington Co.* v. *United States,* 818 F. Supp. 1563, 1576 (CIT 1993), and the Department's findings in *Final Results of Antidumping Duty Administrative Review; Color Picture Tubes from Japan,* 55 FR 37915 (September 14, 1990) (hereafter *CPTs*), to argue that the Department's established practice has been to include in the ESP cap all indirect selling expenses deducted from ESP under 19 CFR 353.41(e).

Department's Position

We agree with the petitioner. It is the Department's practice to allocate indirect expenses to the product imported into the United States (in this case cement) and to the further manufactured product sold in the United States (in this case, concrete) when calculating the ESP cap. (see *Final Determination of Sales at Less Than Fair Value: Calcium Aluminate Cement, Cement Clinker and Flux from France,* 59 FR 14136 (March 25, 1994)) Because Onoda exported cement to the United States and, before selling it to an unrelated customer, converted the cement into concrete, our calculation of U.S. price (USP) reflects the deduction of the value which Onoda added in the United States, other expenses, and indirect selling expenses.

In determining the appropriate adjustment to FMV under 19 CFR 353.56(c), we have limited the home market indirect selling expense adjustment to the amount of those selling expenses associated with the cement which entered the United States, since we are making a cement-to-cement comparison. This requires adjusting Onoda's total U.S. indirect selling expenses to reflect only those expenses associated with cement.

Onoda's argument that indirect selling expenses are indivisible is inaccurate. The Department's goal is to make an apples-to-apples comparison when comparing merchandise sold in the United States with merchandise sold in the home market. In order to make such a comparison, it is necessary to allocate expenses so that we compare cement which enters the United States with cement sold in the home market.

Additionally, the *Torrington* case cited by Onoda does not advocate including all indirect selling expenses associated with ESP sales in the ESP cap. Rather, *Torrington* advocates allocating expenses incurred on ESP sales between the imported product (which is the product sold in the home market) and the further-manufactured product. Accordingly, we allocated indirect expenses between the imported product (which is the product sold in the home market) and the further-manufactured product and limited the ESP cap to those indirect selling expenses incurred on the imported product.

Similarly, in the aforementioned *CPTs* case, the respondent was importing color picture tubes (CPTs) and incorporating them into color televisions (CTVs). In *CPTs,* the Department determined that ''(s)ince it is the CTV and not the CPT that is ultimately sold in the United States, a proportional amount of the CTV indirect selling expenses was allocated to the CPT based upon the costs associated solely with the CPT to the total CTV cost. The total of the indirect selling expenses allocated to the CPT formed the cap for the allowable home market selling expenses offset under § 353.56(b) of the Department's regulations.'' See CPTs at 37917.

Comment 2

Petitioner argues that Onoda is not entitled to a difference-in-merchandise (difmer) adjustment for the cost differences between U.S. models Type I and Type II, and home market models Type N and Type M. Petitioner argues that Onoda has failed to meet the criterion for a difmer adjustment that was articulated in the Department's Policy Bulletin No. 92.2 and in other antidumping cases. According to petitioner, that criterion is that respondents are entitled to difmer adjustments only if they show that the difference in cost between the two models is attributable to the difference in physical characteristics of the merchandise. Petitioner relies upon plant-by-plant variable cost of manufacture data for Type N cement to argue that the weighted-average difmer adjustments reported by Onoda are largely attributable to differences in efficiencies between Onoda's various production facilities and not to cost differences associated with the physical characteristics of the merchandise. Accordingly, petitioner requests that the Department deny Onoda's difmer adjustment.

Onoda argues that it followed the exact same procedure in preparing its difmer adjustment in this segment of the proceeding as it did in the less-than-fair-value (LTFV) investigation and the 1990/92 review. Onoda notes that during the LTFV investigation, the Department verified the difmer data, and granted the difmer adjustment in calculating the dumping margin. Furthermore, Onoda observes that in the LTFV investigation the Department was satisfied that Onoda had reasonably tied cost differences to physical differences (*Final Determination of Sales at Less Than Fair Value; Gray Portland Cement and Clinker from Japan,* 56 FR 12156, March 22, 1991 (*Gray Portland Cement—LTFV Investigation*)). Additionally, Onoda notes that the Department determined in the final results of the 1990/92 review that evidence on the record did not establish that any differences in plant efficiencies were the source of the cost differences (*Gray Portland Cement and Clinker from Japan, Final Results of Antidumping Duty Administrative Review,* 58 FR 48826, September 20, 1993 (*Gray Portland Cement—First Review*)).

Additionally, Onoda argues that the only way it can calculate the difmer adjustment is to weight-average the variable costs to produce Type N cement at all plants and compare that amount to the variable costs to produce Type I cement at the single plant where it produced Type I cement. Onoda argues that this methodology of weight-averaging costs across all plants is consistent with Departmental practice.

Thus, according to Onoda, there is no reason for the Department not to grant the adjustment in this review. However,

should the Department decline to grant the full difmer adjustment, Onoda argues that the Department should at least grant a difmer adjustment for the cost differences of the material inputs.

Department's Position

Consistent with the Department's practice in the LTFV investigation and the 1990/92 review of this case, we have allowed the difmer adjustment claimed by Onoda. As we stated in the 1990/92 review, which was the first review, although Onoda's plants may have different efficiencies, evidence on record does not establish that any differences in plant efficiencies are the source of the cost differences identified by Onoda (see *Gray Portland Cement and Clinker—First Review* at 48827). Rather, cost differences are due to differences in material inputs and the physical differences which result from different production processes.

First, as stated previously, the Department compared Type I and Type II cement in the United States with Type N and Type M cement in the home market, respectively. The specific differences in costs among the various cement types are due to the varying costs of the inputs, including material inputs (limestone, clay, silica, etc.), fuel inputs (fuel oil, coal, anthracite, etc.) and electricity (mixing, grinding, burning, etc.). For example, Type I cement contains clinker, gypsum and minor grinding agents. In contrast, Type N cement contains clinker, gypsum, minor grinding agents and additives. Furthermore, Type I cement contains a higher percentage of clinker and gypsum than Type N cement. Moreover, Type I, on average, has a slightly higher percentage of silicon dioxide. Similarly, Type II and Type M cement also differ in terms of their chemical and physical composition. Type M cement generally has a higher percentage of clinker and a lower percentage of gypsum than Type II cement. Additionally, Type M cement has a lower tricalcium aluminate level than Type II.

Second, as noted in the LTFV investigation, ''we verified Onoda's claimed difference in merchandise adjustment and found it to be an accurate representation of the relevant variable costs of production as reflected in its actual cost accounting records. Given the fact that physical differences between types of cement arise from differences in the production process (e.g., amount and duration of heat), and from differences in component materials, we are satisfied that Onoda has reasonably tied cost differences to physical differences'' (see *Gray Portland Cement and Clinker—LTFV Investigation* at 12161).

Additionally, with regard to the weighted-average methodology employed by Onoda, the Department specifically requested that Onoda report its cost of manufacture information on a weighted-average basis (see the Department's questionnaire at page 54: ''If the subject merchandise is manufactured at more than one facility, the reported COM should be the weighted-average manufacturing cost from all facilities'').

Accordingly, we have allowed Onoda's claimed difmer adjustment.

Comment 3

The petitioner argues that home market sales of bagged cement should be included in the calculation of FMV. Petitioner asserts that this is appropriate since: (1) The technical specifications for cement sold in bags and in bulk are identical; (2) charges related to sales of bagged cement were included in the calculation of various adjustments made to FMV; and (3) the Department has all the data necessary to calculate FMV for bagged cement. Petitioner cites to *Gray Portland Cement and Cement Clinker from Venezuela,* 56 FR 56390 (November 4, 1991), *Industrial Phosphoric Acid from Israel,* 52 FR 25440 (July 7, 1987, and *Frozen Concentrated Orange Juice from Brazil,* 57 FR 3995 (February 3, 1992) as examples where the Department compared identical merchandise that was packaged differently.

Onoda argues that the Department should not include home market sales of bagged cement in the FMV calculation since it only sold bulk cement in the United States. Onoda asserts that since the Department's goal should be to compare sales in the United States and foreign markets which are as similar as possible, the Department should compare bulk sales in the United States to bulk sales in the home market. Onoda argues that it is not relevant that cement sold in bags is within the scope of the order and is physically the same. Onoda asserts that it would be unfair to include bagged cement sales in the calculation of FMV since it would distort the FMV figure. Onoda cites *Final Determination of Sales at Less Than Fair Value: Fresh Kiwifruit from New Zealand,* 57 FR 13695 (April 17, 1992), *Final Determination of Sales at Less Than Fair Value: Gray Portland Cement and Clinker from Mexico,* 55 FR 29244 (July 18, 1990), and *Gray Portland Cement and Clinker from Venezuela,* 56 FR 56390 (November 4, 1991), to argue that the Department has consistently made bulk-to-bulk and bag-to-bag comparisons.

Department's Position

We agree with the petitioner. There is no physical difference between the bagged and bulk cement sold in Japan. The only difference is the manner in which the merchandise is packed. Since packing in not a criterion for comparability, and because there is no physical difference between bulk and bagged cement sold in the home market, we did not exclude home market sales of bagged cement from our calculations of FMV.

In *Brazilian orange juice,* the Department based USP on packed merchandise and FMV on packed and bulk merchandise. In *Venezuelan cement,* the Department compared bulk-to-bulk and bagged-to-bagged sales as well as bulk-to-bag sales. In Israeli acid, the Department compared bulk U.S. product to the home market product packed in drums. The comparison of bulk-to-bag and bulk-to-drum sales in *Venezuelan cement* and *Israeli acid* supports the Department's conclusion in this case that it is acceptable to compare bulk-to-bagged sales.

Additionally, the issue raised in *New Zealand kiwifruit* was whether the Department ''must * * * adjust for difference in packing costs when comparing differently packed identical merchandise,'' not whether the Department should compare bulk-to-bulk and bagged-to-bagged merchandise. In *Mexican cement,* the issue did not arise because all U.S. sales and their corresponding identical matches in Mexico were bulk sales. Finally, in prior segments of this proceeding, we made bulk-to-bag and bag-to-bulk comparisons, with appropriate adjustments for packing differences.

Therefore, because the cases cited by Onoda do not stand for the proposition that the Department must always compare bulk-to-bulk and bag-to-bag sales, and because packing is not a criterion for matching types of cement, we compared sales of bulk cement in the United States to sales of both bulk and bagged cement in the home market, and made the appropriate adjustments to reflect the packing costs associated with bagged cement.

Comment 4

Petitioner argues that the Department should disallow Onoda's claimed deductions for commissions to distributors because Onoda has not properly documented what portion of its commission payments are made to related parties, or whether the terms of commissions paid to related distributors

are comparable to the terms of commissions paid to unrelated distributors.

Additionally, petitioner states that Onoda has failed to show how one type of commission, which is offered to distributors to promote sales of all Onoda cement, not just cement within the scope of the order, is tied directly to the subject merchandise.

Onoda states that the Department should grant a full deduction for these commissions in its FMV calculations because it has fully explained the basis for the payment of the commissions in the home market and has directly tied these commissions to its home market sales of Types N and M cement.

Onoda disagrees with petitioner's assertion that it failed to tie commissions to the subject merchandise. Onoda asserts that because Type N and M cement accounted for the majority of home market sales, the majority of the commissions in question were associated with the sale of Types N and M cement. Additionally, Onoda argues that it did not simply deduct the total commission expense from the sales price of Types N and M cement. Rather, Onoda allocated these expenses over all cement types.

Department's Position

We agree with Onoda. Onoda provided a sufficient response to the Department's questions concerning the commissions it grants to related and unrelated distributors in the home market. The terms of the commissions offered by Onoda are fixed, so that related and unrelated distributors are offered commissions on precisely the same terms that do not vary according to the product sold. The commissions in question are allocated to the subject merchandise, are offered to both related and unrelated distributors, and, because the terms of the commissions are the same whether the distributors are related or unrelated, we have determined that the commissions are at arm's-length and therefore an allowable deduction from the home market price.

Comment 5

Petitioner argues that the Department should include in its calculation of FMV the price actually charged by Onoda's related distributors to the first unrelated customer. To accomplish this, petitioner suggests that the Department add to the related distributor price a mark-up which Onoda provides to all of its distributors. Petitioner contends that this is appropriate because the mark-up Onoda provides to its related distributors is merely an intracompany transfer that benefits Onoda.

Department's Position

We disagree with the petitioner. Since the mark-up to related distributors is at arm's-length (*i.e.*, is the same for related and unrelated distributors and the sales prices to related distributors are comparable to the sales price to unrelated distributors (see our response to comment 6)) and directly related to the sales in question, the mark-up should not be added to the related distributor's price when calculating FMV. Accordingly, when calculating FMV, the Department did not add the mark-up to the price charged related distributors because Onoda provides the identical mark-up to all its distributors, whether related or unrelated.

Comment 6

The petitioner states that, when determining what sales to use to calculate FMV, the Department should use only those related party sales for which the price is greater than or equal to the price charged to unrelated customers. Petitioner argues that using related party sales whose prices are below those of unrelated party sales is inconsistent with the Department's general practice in prior cases and fails to eliminate related party sales that were not made at arm's-length.

Onoda states that it treats all sales to distributors, whether related or unrelated, in the same fashion, and, therefore, all sales to related distributors should be included in the calculation of FMV. Moreover, Onoda asserts that the price it charges its distributors is in no way influenced by Onoda, since it is based on a price that is negotiated between the distributor and its unrelated customer. Thus, argues Onoda, all sales to related distributors should be included in the calculation of FMV.

Department's Position

Consistent with 19 CFR 353.45(a), we include related party transactions in our calculation of FMV when we are satisfied that the price of such sales are comparable to the prices of sales to the unrelated party. In this case, since related party sales were generally at prices equal to or greater than unrelated party sales, we determined that related party sales are comparable to Onoda's sales to unrelated parties. Accordingly, we have included all related party sales in our calculation of FMV.

Comment 7

Petitioner argues that the commission Onoda granted to a Japanese trading company should be deducted in its entirety from Onoda's U.S. prices (*i.e.*, the Department should deduct from U.S. price the result of multiplying the F.O.B. Japan price by the contractually arranged commission rate).

Onoda argues that petitioner's methodology represents only one-half of the transaction. Onoda asserts that the actual commission is the *net* amount which passes from the Onoda corporate family (*i.e.*, Onoda and Lone Star Northwest) to the Japanese trading company corporate family, and that the sequence and composition of the payments have no bearing on the value of the commission. Thus, Onoda argues that in the preliminary results the Department correctly calculated the amount of U.S. commissions.

Department's Position

We agree with Onoda. In a sales/distribution situation where there are two payments and two corporate families, what is relevant is the entire payment from one corporate family to the other. Thus, as we did in the 1990/92 review of this case, we have included both portions of the transaction in our calculation of the payment to the trading company rather than applying the commission rate to the F.O.B. Japan price as recommended by the petitioner.

Comment 8

Petitioner argues that the direct selling expenses Onoda reported in its cost of production (COP) response do not equal the direct selling expenses Onoda reported in its home market sales tape. Petitioner states that certain expenses included in the direct selling expense category of Onoda's home market sales tape were not included in the direct selling expense category for Onoda's COP response. Petitioner states that the Department should weight-average and add to its COP calculations the direct selling expenses reported on Onoda's home market sales tape in order to ensure that the direct selling expenses used to determine FMV and COP are used consistently. Petitioner asserts that this adjustment is necessary to ensure a fair comparison of expenses in the COP and FMV calculations.

Onoda states that the direct selling expenses it reported on the home market sales tape and the COP response are not equal because certain direct selling expenses, such as two commission expenses, were reported as indirect selling expenses rather than as direct selling expenses in the COP response. Onoda states that, for COP purposes, it does not matter if commission expenses are categorized as direct or indirect, since all selling

expenses are treated identically in determining whether home market sales are below cost. Onoda asserts that what is important is that the total selling expenses reported on the home market sales tape and in the COP response be equal.

Department's Position

It is important that the total selling expenses reported in the COP response equal the total selling expenses reported on the home market sales tape, since the Department will compare the COP with the net home market price in order to determine if sales below cost occurred. Any inequality in total selling expenses between COP and home market sales will lead to an imperfect comparison and therefore an inaccurate determination of sales below cost.

Accordingly, for these final results, we have added to the reported total selling expenses for COP the weighted-average direct selling expenses included in the home market sales tape (*i.e.*, technical service, quality control, plant quality control, and advertising) since they were not included in the COP calculation reported by Onoda. Additionally, we deducted from the reported total selling expenses for COP the amounts included in the field DIRSELEX (tanker freight costs and freight expense for swap transactions) since these selling expenses were deducted from the calculation of net home market price for comparison to the COP. We did not add commission expenses to the reported total selling expenses for COP since, as noted by Onoda, they were already included in the reported indirect selling expense figure. This methodology ensures that the amount of total selling expenses we use in our COP analysis equals the total selling expenses we use in our FMV calculations.

Comment 9

Onoda argues that the decision by the Court of Appeals for the Federal Circuit (Federal Circuit) in *The Ad Hoc Committee of AZ–NM–TX–FL Producers of Gray Portland Cement* v. *United States,* 13 F.3d 398 (Federal Circuit 1994), (hereafter *Ad Hoc Committee*), which states that pre-sale movement expenses cannot be deducted as a direct expense from FMV, does not apply to FMV when the U.S. sales are ESP transactions. (Since Onoda submitted its comments, the cite for *Ad Hoc Committee* has changed. The revised cite is *The Ad Hoc Committee of AZ–NM–TX–FL Producers of Gray Portland Cement* v. *United States,* 13 F.3d 398 (Federal Circuit 1994) *cert. denied* 115 S. Ct. 67 (1994).) Onoda cites the Court of International Trade's decision, *The Torrington Company* v. *United States*, Slip Op. 94–37, at 7 (CIT 1994) (hereafter *Torrington II*), to support its claim that *Ad Hoc Committee* does not apply to ESP sales. (Since Onoda submitted its comments, the cite for *Torrington II* has changed. The revised cite is *The Torrington Company* v. *United States*, 850 F. Supp 7, (CIT 1994).)

Onoda states that if the Department were to conclude that *Ad Hoc Committee* does apply to FMV when calculating margins on ESP transactions, then the Department should treat U.S. pre-sale freight expenses as indirect expenses. Otherwise, Onoda argues that the resulting comparison between U.S. and home market sales will be inequitable.

Additionally, Onoda states that *Ad Hoc Committee* is not yet final because there is still time to file a petition for appeal to the Supreme Court. Therefore, Onoda urges the Department not to apply *Ad Hoc Committee* until all possibilities for appeal have been exhausted.

Petitioner argues that *Ad Hoc Committee* applies to FMV in both ESP and purchase price (PP) comparisons. Petitioner asserts that the issue the Federal Circuit addressed in *Ad Hoc Committee* was whether pre-sale transportation costs should be categorized as a direct or indirect expense in calculating FMV. Petitioner contends that the Federal Circuit did not distinguish between comparisons to PP and ESP in reaching its conclusion.

Petitioner also argues that the *Torrington II* decision cited by the respondent takes too narrow a view of the Federal Circuit's holding in *Ad Hoc Committee.* Accordingly, petitioner argues that the Department should follow the Federal Circuit's ruling in *Ad Hoc Committee,* and not the CIT's decision in *Torrington II* interpreting the Federal Circuit's decision. Accordingly, the Department should continue to follow *Ad Hoc Committee.*

Moreover, petitioner cites *Ayuda, Inc.* v. *Thornburgh,* 919 F.2d 153 (D.C. Cir. 1990), to argue that a decision by the Federal Circuit is final unless and until it is reversed or overruled by the U.S. Supreme Court.

Finally, petitioner argues that the Department cannot treat pre-sale transportation costs for U.S. sales as indirect expenses (which would increase the ESP cap) because section 772(d)(2)(A) of the Act clearly instructs the Department to treat these expenses as direct expenses.

In a related matter, petitioner argues that because home market pre-sale transportation costs are considered indirect selling expenses (in accordance with the Court's decision in *Ad Hoc Committee*) and because Onoda reported home market pre-sale transportation expenses with other direct selling expenses in the field DIRSELH, the Department should treat all expenses reported in the DIRSELH field as indirect, rather than direct, selling expenses.

Department's Position

We agree with Onoda and the CIT's assertion in *Torrington II,* that the *Ad Hoc Committee* decision was limited to the narrow question of our inherent authority to deduct pre-sale freight expenses in purchase price situations. However, as noted by the CIT in *Ad Hoc Committee of AZ-NM-TX-FL Producers of Gray Portland Cement* v. *United States,* 865 F. Supp. 857 (CIT 1994) (*Ad Hoc Committee II*), the *Ad Hoc Committee* decision ''discussed *without disapproval,* Commerce's ESP-COS procedures where, as indicated, indirect expenses, such as most pre-sale transportation costs, are deductible from FMV to the extent of the USP level of expenses.'' (emphasis added)

We have determined, in light of *Ad Hoc Committee* and its progeny, that the Department no longer can deduct home market movement charges from FMV pursuant to its inherent power to fill in gaps in the antidumping statute. We instead adjust for those expenses under the circumstance-of-sale (COS) provision of 19 CFR 353.56 and the ESP offset provision of 19 CFR 353.56(b)(1) and (2), as appropriate, in the manner described below.

When USP is based on either ESP or purchase price, we adjust FMV for home market movement charges through the COS provision of 19 CFR 353.56(a). Under this adjustment, we capture only direct selling expenses, which include post-sale movement expenses and, in some circumstances, pre-sale movement expenses. Specifically, we treat pre-sale movement expenses as direct expenses if those expenses are directly related to the home market sales of the merchandise under consideration.

In order to determine whether pre-sale movement expenses are direct, the Department examines the respondent's pre-sale warehousing expenses, since the pre-sale movement charges incurred in positioning the merchandise at the warehouse are, for analytical purposes, linked to pre-sale warehousing expenses. *See* Final Results of Redetermination Pursuant to Court Remand, dated January 5, 1995 (pertaining to Slip. Op. 94–151). If the pre-sale warehousing constitutes an

indirect expense, the expense involved in getting the merchandise to the warehouse, in the absence of contrary evidence, also must be indirect; conversely, a direct pre-sale warehousing expense necessarily implies a direct pre-sale movement expense. We note that although pre-sale warehousing expenses in most cases have been found to be indirect expenses, these expenses may be deducted from FMV as a COS adjustment in a particular case if the respondent is able to demonstrate that the expenses are directly related to the sales under consideration. *See Ad Hoc Committee of AZ-NM-TX-FL Producers of Gray Portland Cement* v. *United States,* Slip Op. 95–91 (CIT May 15, 1995) (upholding the Department's pre-sale inland freight methodology set forth in its January 5, 1995 Remand Results).

Respondent reported in its questionnaire response of August 26, 1993, that it incurred no after-sale warehousing expenses and respondent did not claim any warehousing expenses as direct COS expenses. The Department interprets this to mean that any warehousing expenses incurred are properly classified as pre-sale, indirect selling expenses and that the expense of transporting the cement to the warehouse should also be treated as an indirect expense. Accordingly, the Department has not deducted home market pre-sale movement expenses from FMV for comparison to PP sales. However, we deducted post-sale movement expenses from FMV as a direct expense.

When USP is based on ESP, the Department applies the COS adjustment in the same manner as it does in PP situations. We treated pre-sale movement charges as indirect expenses, which we deducted from FMV pursuant to the ESP offset provision set forth in 19 CFR 353.56(b)(2).

We disagree with Onoda's assertion that the Department should treat U.S. pre-sale freight expenses as indirect expenses. As Petitioner states, section 772(d)(2)(A) of the Tariff Act clearly instructs the Department to treat these expenses as direct expenses: The purchase price and exporter's sales price ''shall be adjusted by being— reduced by * * * any additional costs, charges, and expenses, * * * incident to bringing the merchandise from the place of shipment in the country of exportation to the place of delivery in the United States.'' Additionally, Onoda's argument that Ad Hoc Committee is not yet final because there is still time to file a petition for appeal to the Supreme Court is moot. This case became final and conclusive in October 1994, when the U.S. Supreme Court denied the writ of certiorari submitted by Onoda. We agree with petitioner that since Onoda reported home market pre-sale transportation expenses (which are indirect expenses) with direct selling expenses in the field DIRSELH, we should treat all expenses reported in the DIRSELH field as indirect, rather than direct, selling expenses. Comment 10: Onoda argues that the Department, in accordance with its new tax methodology as outlined in Federal-Mogul Corporation and the Torrington Company v. United States, 834 F. Supp. 1391 (CIT, 1993), included a tax adjustment for indirect selling expenses when calculating the USP for ESP sales, but that the Department failed to make a similar adjustment when calculating the net FMV for home market sales that were subsequently compared to USP. Accordingly, Onoda asserts that the Department should include a tax adjustment for home market indirect selling expenses when calculating the net home market price since the Department included this adjustment in its calculation of USP.

Department's Position

We agree with Onoda and have made the appropriate correction to our calculations.

Comment 11

Onoda argues that the Department should have made a difmer adjustment to FMV for comparisons between U.S. sales of Type II cement and home market sales of Type M cement during the period October 1992 through March 1993. Onoda asserts that the fact that these sales came from inventory rather than from its cement production in no way affects the applicability of a difmer adjustment. Onoda states that the Department can correct its oversight by calculating a difmer adjustment based on a comparison of U.S. Type II cement variable cost information for the period April 1992 through September 1992 and variable cost information for home market Type M cement for the period October 1992 through March 1993.

Petitioner argues that the Department should not grant a difmer adjustment since it used the information which Onoda supplied. Additionally, petitioner argues that it is not reasonable for the Department to apply variable cost data from one period to another period, since Onoda has not demonstrated that the use of such a difmer calculation is warranted.

Department's Position

We agree with Onoda. Upon reviewing the data submitted by Onoda, we have determined that a difmer adjustment when comparing Type II and Type M cement for the period October 1992 through March 1993 is appropriate even though Onoda did not produce Type II cement during the period October 1992 through March 1993 (the threshold issue of whether Onoda is entitled to a difmer adjustment was discussed in Comment 2). Accordingly, for these final results, we used the variable cost of Type II cement for the period April 1992 through September 1992, and compared it with the variable cost of Type M cement for the period October 1992 through March 1993 in order to determine a difmer adjustment for comparison of Type II and Type M cement for the period October 1992 through March 1993.

Comment 12

Onoda argues that the Department incorrectly calculated the commission offset to FMV for comparisons to PP sales. Onoda states that in calculating the FMV for PP sales, the Department used as the commission offset either the indirect selling expenses of the division responsible for export sales, or the sum of home market commissions, whichever was lower. Onoda asserts that since commissions had been paid on home market sales but not on PP sales, the Department should have followed its normal practice and calculated the commission offset by deducting the full amount of home market commissions from FMV and then adding to FMV, as an offset, the amount of U.S. indirect expenses capped by the amount of home market commissions.

Department's Position

We agree with Onoda and have made the appropriate adjustments to our calculations.

Comment 13

Onoda argues that the Department should include in its calculation of FMV, all home market sales in which a zero or a negative value appeared under the variable for gross value, quantity, or gross unit price. Onoda argues that these values are due to retroactive downward price changes, input errors, or renegotiations with customers. Onoda asserts that by dropping all sales with negative and zero values from the FMV database, the Department has calculated monthly average FMVs which do not reflect the actual sales value of the merchandise in the home market.

Petitioner argues that the Department should continue to exclude zero and negative values from its calculation of FMV since Onoda has failed to provide a detailed explanation, or documentation, for these values.

Department's Position

We agree with the petitioner. We requested in a supplemental questionnaire (dated December 7, 1993) that Onoda provide a ''detailed explanation'' of the retroactive price adjustments and adjustments to volume that resulted in negative numbers or zeros for numerous variables in the home market sales tape. In response to this request, Onoda merely stated, without providing supporting documentation, that such values occur due to retroactive downward price changes, input errors or revisions after negotiations with customers. Since Onoda did not support its claim, we have excluded from our calculations, sales in which a zero or negative value appeared under the variable for gross value, quantity or gross unit price.

Comment 14

Onoda argues that the Department, in its COP calculations, should have accepted Onoda's claim that the interest expense it incurred should reflect the short-term interest income it earned. Onoda argues that its supporting documentation was adequate and that the Department should have requested additional information if the documentation submitted was considered inadequate.

Department's Position

We disagree with Onoda. When a respondent makes a claim for an adjustment, it is the respondent's responsibility to provide a detailed explanation of the adjustment as well as supporting documentation if necessary. In its original questionnaire response, Onoda did not provide documentation to support this adjustment. In a supplemental questionnaire issued by the Department, we requested that Onoda provide documentation to support its claim for a short-term interest income offset. In response to this request, Onoda provided the Department with two untranslated pages that are reported to be from a general ledger showing bank interest earned by Onoda. Onoda's documentation is not only ambiguous and untranslated, it also lacks a narrative response explaining exactly how the documentation supports the deduction of Onoda's short-term interest income from its interest expense. Therefore, we have used the full interest figure in determining the interest ratio for our COP calculations.

Comment 15

Onoda argues that the Department's methodology of using the mean service station expense (SSLH) when calculating the COP directly conflicts with the methodology employed in the 1990/92 review. Onoda asserts that the Department should use the methodology it used in the 1990/92 review (*i.e.*, calculating the total SSLH expense from the sales tape, dividing this amount by the total gross value of home market sales and then multiplying this percentage by the unit cost of manufacture, and adding the resulting per unit amount to the COP). Alternatively, Onoda urges the Department to use a weighted-average SSLH expense in its calculations rather than a mean expense.

Petitioner argues that the methodology the Department used in the 1990/92 review would understate the amount of SSLH in COP, since the cost of manufacture figure is a much lower number than the gross sales price. Moreover, petitioner argues that the Department must treat SSLH equally when calculating COP and home market price for the below-cost test. Petitioner provides two methodologies it believes would result in a fair treatment of SSLH costs in the sales-below-cost test: (1) Calculate total SSLH as a percentage of total gross price, multiply this percentage by the gross unit price, and add the resulting amount to COP; or (2) calculate total SSLH as a percentage of total manufacturing costs, multiply this ratio by COP, and add the resulting amount to COP and net price.

Department's Position

In the 1990/92 review we calculated two COPs, one for the period April 1990 through March 1991, and one for the period April 1991 through March 1992. The Department's goal in calculating two COPs was to annualize costs in order to prevent the distortion of per unit charges and adjustments due to the seasonal nature of the merchandise. (Moreover, we did not simply divide the total SSLH by total QTYH as given on the sales tape when calculating the two COPs since the sales tape only covered the period October 31, 1990 through April 30, 1992.) To calculate the per metric ton amount to add to the COP in the 1990/92 review, we first totaled the gross value (GRSVALH) and SSLH fields and then divided total SSLH by total GRSVALH. We then multiplied the resulting ratio by the total COM.

In this review, since the POR is one year, the Department does not face the same situation (*i.e.*, we do not have to annualize costs). Accordingly, in this review, the Department followed its standard practice and used a weighted-average, per unit, SSLH expense (i.e., total SSLH expense incurred divided by total quantity sold) and added this amount to COP. The Department applied the weighted-average SSLH expense reported by Onoda (in its case brief filed in response to the Department's preliminary results of review) and added it to the COP. The use of a weighted-average insures that SSLH expenses are accurately represented in the sales-below-cost test.

The Department did not use the alternatives recommended by the petitioner since it was our goal to calculate a per unit SSLH expense to be added to COP since these expenses are reported in the home market on a per unit basis.

Comment 16

Onoda argues that the Department should use the U.S. interest rate for calculating imputed credit expenses associated with PP sales, rather than Onoda's Japanese interest rate, since Onoda had access to the lower U.S. interest rates.

Department's Position

We agree with Onoda. It is our practice to use U.S. interest rates to calculate credit expenses incurred on U.S. sales when a respondent demonstrates that it had either actual borrowings or access to U.S. dollar loans during the period of review (see, *e.g., Notice of Final Determinations of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate from France*, 58 FR 37125 (July 9, 1993)). In the present case, Onoda's U.S. subsidiary, Lone Star Northwest (LSNW), had access to U.S. dollar loans. Accordingly, for these final results we have used the average U.S. interest rate available to LSNW during the third quarter of 1992 for all PP sales.

Comment 17

Onoda disagrees with the Department's classification of U.S. port-to-U.S. facility movement expense in its further manufacturing calculations. Specifically, Onoda argues that the resulting allocations between cost of manufacturing in Japan and value-added in the United States are flawed. Onoda argues that these pre-value-added inland freight expenses should be

considered part of the cost of materials of the imported product.

Onoda argues that based on § 353.41(e) of the Department's regulations and the wording of certain questions in the Department's questionnaire, these costs should be attributed to the Japanese cost of materials rather than to the amount of Onoda's U.S. further manufacturing activities.

Onoda states that section 353.41(e) of the Department's questionnaire directs the Department to reduce exporter's sales price by the amount of ''(a)ny increased value resulting from a process of production or assembly performed on the merchandise after importation and before sale to a person who is not the exporter of the merchandise, which value the Secretary generally will determine from the cost of material, fabrication, and other expenses incurred in such production and assembly.''

Onoda states that § 353.41(e) clearly defines ''increased value'' as that added by a manufacturing process or an assembly operation after the merchandise is imported into the United States. Onoda asserts that when a manufacturer merely moves a component or product from the port to its factory, it does not perform a manufacturing or assembly process on the imported merchandise. Consequently, these movement costs should not be considered part of U.S. value added.

With regards to the Department's questionnaire, Onoda states that the section of the questionnaire entitled ''*Further Processing*'' discusses material costs in two places. Onoda refers to section 8A(1) of the questionnaire which states: ''Material cost: Provide the transfer prices of individual components, subassemblies and completed units received by the U.S. affiliate(s) * * *'' Onoda states that this definition of material cost refers to the price of the delivered item. Onoda further cites Section 8A(1)(c) which states: ''Provide the actual costs for all individual components * * * These should include the price paid to the third party, transportation costs, and other costs normally associated with materials costs.'' Accordingly, Onoda argues that movement expense is defined as part of the materials costs, and, therefore, transportation costs between the port and the factories should be allocated entirely to the Japanese portion of the cement cost. Onoda further states that in the cost of production and constructed value portion of the questionnaire (question VIII(3)(B)(2)(a)), the Department defines material cost as including ''the purchase price, transportation charges, duties and all other expenses normally associated with obtaining the materials used in production.'' Onoda argues that in each of these provisions, the expense of transporting the material to the factory is defined as part of the cost of materials. Onoda concludes that it follows that the freight costs between the port and the terminals should be allocated entirely to the Japanese portion of the cement cost.

Department's Position

We disagree with Onoda. It is the Department's established practice to attribute all costs incurred after a product has arrived in the U.S. to U.S. production costs when the product is further manufactured in the United States. See *Stainless Steel Hollow Products from Sweden; Final Results of Antidumping Duty Administrative Review* (57 FR 21389, May 20, 1992) and *Gray Portland Cement and Clinker from Japan; Final Results of Antidumping Duty Administrative Review* (58 FR 48826, September 20, 1993).

Onoda correctly cites § 353.41(e) of the Department's regulations, but interprets the regulation too narrowly. The Department has interpreted this regulation to include in further-manufacturing expenses the cost of transporting the merchandise from the port to the factory where further-manufacturing occurs. Only by incurring this expense can increased value through the process of production occur. Accordingly, the process of transporting the material is inextricably linked to the ''process of production'' in further-manufactured sales.

Similarly, Onoda's cite to sections 8A(1) and 8A(1)(c) of the Department's questionnaire to support its argument that movement costs are considered part of materials costs is misleading. The Department requests information on movement cost, but does not specifically state that such costs should be allocated to the cost of materials in the home market. Rather, as stated above, it is our practice to attribute all costs incurred after a product has arrived in the United States to U.S. production costs when the product is further-manufactured in the United States.

Additionally, Onoda correctly cites the COP/CV section of the questionnaire in explaining that in the home market, the expense of transporting the material to the factory is defined as part of the cost of materials which is then incorporated into the cost of manufacturing. This is done so that the cost of materials and therefore, the cost of manufacturing reflects all the expenses incurred during the production process. Similarly, in further-manufacturing situations, the cost of transporting the cement from the U.S. port to the U.S. factory is included under ''process of production'' expenses used to determine U.S. value added in order to accurately reflect all expenses incurred during the further-manufacturing process.

Consistent with our established practice, we included freight expense from the U.S. port to the U.S. plant in the U.S. further manufacturing costs in establishing the relationship between U.S. further manufacturing costs and total costs of the merchandise.

Comment 18

Onoda argues that the Department incorrectly calculated the profit per transaction for each U.S. sale of ready-mix concrete by deducting from the gross transaction price only the prompt payment discount and the total cost of the further-manufactured product. Onoda argues that the Department must also deduct from the gross price the cost of delivery to the unrelated customer, including the associated insurance cost, in order to calculate profit correctly. Onoda states that these delivery costs are real costs, and, as such, directly reduce the profit on each sale.

Petitioner argues that the Department should not adjust further manufacturing profit to reflect LSNW's costs for ready-mix delivery and related insurance. Petitioner states that, ''(i)n this case, Onoda asks that the profit on further manufactured sales of concrete be reduced by the costs incurred by Onoda to transport concrete'' to its unrelated customers. Petitioner argues that the issue of whether ready-mix delivery and insurance costs should be included in U.S. value added was addressed and decided in the first review of this case where the Department declined to include such costs in U.S. value added.

Department's Position

We agree with Onoda that the cost of delivery to the unrelated customer, including the associated insurance cost, should be deducted when determining the gross profit on further-manufactured sales since these costs are real costs, and, as such, directly reduce the profit on each sale. Therefore, we have revised our calculations in these final results to ensure that freight and related insurance costs are deducted from the gross price in calculating the profit on each U.S. sale.

Contrary to petitioner's statement, we did not address the issue of

transportation expenses in calculating the total profit in the last review.

Final Results of Review

Based on our analysis of comments received, and the correction of clerical errors, we have determined that a final margin of 24.27 percent exists for Onoda for the period May 1, 1992, through April 30, 1993.

The Department will instruct the Customs Service to assess antidumping duties on all appropriate entries. Individual differences between USP and FMV may vary from the percentage stated above. The Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise, entered or withdrawn from warehouse, for consumption on or after the publication date of these final results of administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for Onoda will be 24.27; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in a previous review or the original less-than-fair-value (LTFV) investigation, the cash deposit rate will continue to be the rate published in the most recent final results or determination for which the manufacturer or exporter received a company-specific rate; (3) if the exporter is not a firm covered in this review, earlier reviews, or the original investigation, but the manufacturer is, the cash deposit rate will be that established for the manufacturer of the merchandise in these final results of review, earlier reviews, or the original investigation, whichever is the most recent; and (4) the ''all others'' rate, as established in the original investigation, will be 70.23 percent.

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

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

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

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

Dated: August 11, 1995.

Paul L. Joffe,

Deputy Assistant Secretary for Import Administration

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BILLING CODE 3510–DS–P

[A–588–028]

Notice of Preliminary Results of Antidumping Duty Administrative Review: Roller Chain, Other Than Bicycle, From Japan

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

EFFECTIVE DATE: August 23, 1995.

SUMMARY: In response to a request from the American Chain Association, the petitioner in this proceeding, the Department of Commerce has conducted an administrative review of the antidumping finding on roller chain, other than bicycle, from Japan. This review, which covers four manufacturers/exporters of this merchandise to the United States and the period April 1, 1992 through March 31, 1993, indicates the existence of dumping margins. Interested parties are invited to comment on these preliminary results.

FOR FURTHER INFORMATION CONTACT: Donna Berg or Gregory Thompson, Office of Antidumping Investigation, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230; telephone: (202) 482–0114 or 482–3003, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statue and Regulations

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

The Department is conducting this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act), and section 353.22 of the Department's regulations (19 CFR 353.22).

Background

On October 7, 1993, the Department of Commerce (the Department) published in the **Federal Register** (58 FR 52264) the final results of its last administrative review of the antidumping finding on roller chain, other than bicycle, from Japan (38 FR 9226; April 12, 1973). In April 1993, the petitioner requested that we conduct an administrative review for the period April 1, 1992 through March 31, 1993, in accordance with 19 CFR 353.22(a)(1). We published a notice of initiation of review on May 27, 1993 (58 FR 30769).

On August 9, 1993, the Department issued an antidumping questionnaire to the following six companies: Daido Kogyo Co., Ltd. (Daido), Enuma Chain Mfg. Co., Ltd. (Enuma), Hitachi Metals Techno Ltd. (Hitachi), Izumi Chain Manufacturing Co., Ltd. (Izumi), Pulton Chain Co., Ltd. (Pulton), and R.K. Excel (Excel). Of those six companies, Excel and Izumi submitted their responses on September 24, 1993. Hitachi and Pulton asserted that they had no sales during this period of review (POR). Although Daido and Enuma were included when the Department published a notice of initiation for this review, the administrative reviews of Daido and Enuma are being conducted separately and their preliminary results will be published in a later notice.

Scope of the Review

Imports covered by the review are shipments of roller chain, other than bicycle, from Japan. The term ''roller chain, other than bicycle,'' as used in this review includes chain, with or without attachments, whether or not plated or coated, and whether or not manufactured to American or British standards, which is used for power transmission and/or conveyance. Such chain consists of a series of alternately-assembled roller links and pin links in which the pins articulate inside the bushings and the rollers are free to turn on the bushings. Pins and bushings are press fit in their respective link plates. Chain may be single strand, having one row of roller links, or multiple strand, having more than one row of roller links. The center plates are located between the strands of roller links. Such chain may be either single or double pitch and may be used as power transmission or conveyer chain.

This review also covers leaf chain, which consists of a series of link plates alternately assembled with pins in such a way that the joint is free to articulate between adjoining pitches. This review further covers chain model numbers 25 and 35. Roller chain is currently