responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 C.F.R. 355.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.22.

Dated September 29, 1995.

Susan G. Esserman,

Assistant Secretary for Import Administration.

Appendix A

Scope of the Review

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

Ball Bearings, Mounted or Unmounted, and Parts Thereof

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

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

[FR Doc. 95–24929 Filed 10–5–95; 8:45 am]

BILLING CODE 3510–DS–P

[C–549–802]

Ball Bearings and Parts Thereof From Thailand; Final Results of Countervailing Duty Administrative Review

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

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

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

EFFECTIVE DATE: October 6, 1995.

FOR FURTHER INFORMATION CONTACT: Robert Copyak or Kelly Parkhill, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On August 16, 1995, the Department published in the Federal Register (60 FR 42532) the preliminary results of its administrative review of the countervailing duty order on *Ball Bearings and Parts Thereof from Thailand*. The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

We invited interested parties to comment on the preliminary results. On September 15, 1995, a case brief was submitted by Pelmec Thai Ltd., NMB Thai Ltd., and NMB Hi-Tech Ltd. (three related companies, hereinafter the Minebea Group), producers/exporters of the subject merchandise during the review period (respondents). On September 15, 1995, a case brief was submitted by the Torrington Company (petitioner). On September 22, 1995, a rebuttal brief was submitted by respondents. The review covers the period January 1, 1993 through December 31, 1993. The review involves the Minebea Group of companies, which accounts for virtually all exports of subject merchandise from Thailand, and nine programs.

Applicable Statute and Regulations

The Department is conducting this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994. However, references to the Department's *Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments*, 54 FR 23366 (May 31, 1989) (*Proposed Regulations*), are provided solely for further explanation of the Department's countervailing duty practice. Although the Department has withdrawn the particular rulemaking proceeding pursuant to which the *Proposed Regulations* were issued, the subject matter of these regulations is being considered in connection with an ongoing rulemaking proceeding which, among other things, is intended to conform the Department's regulations to the Uruguay Round Agreements Act. *See* 60 FR 80 (Jan. 3, 1995).

Scope of the Review

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

Calculation Methodology for Assessment and Cash Deposit Purposes

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

subsidy rate is calculated; and (2) the F.O.B. export price which includes the parent company mark-up, and which is listed on the invoice accompanying the subject merchandise as it enters the United States, and upon which the cash deposits are collected and the countervailing duty is assessed. Respondents argued that the calculated *ad valorem* rate should be adjusted by the ratio of the export value from Thailand to the export value charged by the parent company to the U.S. customer so that the amount of countervailing duties collected would reflect the amount of subsidies bestowed. The Department agreed and made this adjustment in the first and second administrative reviews (57 FR 26646; June 15, 1992; and 58 FR 36392; July 7, 1993).

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

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

Analysis of Programs

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

I. Programs Conferring Subsidies

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

A. *Investment Promotion Act (IPA) of 1977—Sections 31, 28, and 36(1)*—4.85 percent *ad valorem*
B. *Electricity Discounts for Exporters*—less than .005 percent *ad valorem*

Our analysis of the comments submitted by the interested parties, summarized below, has led us to change the result in our preliminary results from 1.33 to 4.85 percent *ad valorem*.

II. Programs Found Not To Be Used

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

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

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

Analysis of Comments

Comment 1: Respondents argue that the Department should adjust the calculations of the net subsidy and the deposit rate to account for the RTG's liftings of export requirements for the Board of Investment Certificates of Promotion (BOI licenses) issued under the IPA program to the Minebea Group of companies NMB Thai and NMB Hi-Tech, and, with one exception, the BOI licenses issued to Minebea Group company Pelmec Thai. They request that the Department deduct the amount of the benefits related to these liftings from the calculation of the net subsidy for the review period and consider for cash deposit purposes only the proportion of the production related to the one BOI license issued to Pelmec Thai for which the RTG did not lift the export requirements.

Petitioners argue that, since the amendments made in the BOI licenses did not eliminate all export requirements or constitute a program-wide change, the licensing benefits of the IPA program remain countervailable. They also point out that the IPA program remains countervailable because of regional eligibility requirements and export requirements related to foreign-owned companies such as the Minebea Group.

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

Because these liftings do not constitute a program-wide change, the IPA program remains countervailable. The Minebea Group has several BOI licenses pertaining to ball bearings. In January 1990, producers of electronic parts (BOI category 4.6) became eligible to apply for the lifting of export requirements for their BOI licenses. Since ball bearings used in electronic products (electronic ball bearings) are classified under BOI Category 4.6, the Minebea Group applied for the lifting of export requirements for its BOI licenses pertaining to electronic ball bearings. The BOI awarded such liftings for several of the Minebea Group's BOI licenses. However, the lifting of the export requirements for certain IPA benefits applicable to certain types of ball bearings does not constitute a program-wide change with respect to the class or kind of merchandise. Section 355.50 of the *Proposed Regulations* states that the term ''program-wide change'' means a change that is (1) not limited to an individual firm or firms and (2) effectuated by an official act, such as the enactment of a statute, regulation, or decree, or contained in the schedule of an existing statute, regulation, or decree. Since the changes in export requirements by the BOI were only for companies that had licenses for BOI Category 4.6 products and they had to be requested and approved on a license-by-license basis rather than applicable across the board, the BOI's actions do not constitute a program-wide change.

Moreover, the IPA licensing benefits received by the Minebea Group were tied to export performance. The IPA clearly states that the import duty exemption benefits under Section 36(1) (which is contained in licenses held by all three of the Minebea Group of companies) are conditional upon export of the final product, and these conditions were not lifted. With regard to benefits received under Section 31

(which exempts companies from payment of corporate income tax on profits derived from promoted activities), export requirements were in place during the tax year covered by the tax returns filed during the POR. That the BOI retroactively lifted the export requirements of certain licenses does not change the fact that the Minebea Group of companies had to export the subject merchandises in order to claim benefits under Section 31. A similar argument holds for benefits received under Section 28.[1] During the review period, the Minebea Group were able to import fixed assets with licenses which contained export requirements as a condition of receiving Section 28 benefits.

Not all of the BOI liftings were based upon BOI Category status. The export requirements for one of the Minebea Group's BOI licenses were lifted based on the fact that one of the Minebea Group's subsidiaries had a long-standing export history. Thus, the continued receipt of the benefits is contingent upon the fact that the company had an export history. Had the company been unable to demonstrate a history of export performance, there is no evidence that export requirements could have been lifted under this decree. *See* Exhibit 23 of the public version of respondents' December 12, 1994 questionnaire response.

As explained in our preliminary results, effective April 1, 1993, all types of ball bearings and parts thereof were reclassified under industrial category 4.8, ''Manufacture of fabricated metal products, including metal parts for automotive and electronic products.'' In addition, new policies and criteria issued by the BOI stipulate that tax and duty privileges for promoted projects approved after April 1, 1993 are contingent upon location of the promoted company in one of three types of investment promotion zones. Therefore, promoted projects approved after April 1, 1993 for products classified under category 4.8 must be located in industrial promotion zones 2 or 3. In addition, export performance is a criterion for approval of promoted projects involving companies which are wholly or significantly foreign-owned.

In conclusion, IPA licences conferred countervailable benefits during the review period, and there has not been a program-wide change which would warrant an adjustment of the cash deposit rate. The RTG's liftings of certain export requirements for certain BOI licenses held by the Minebea Group do not constitute the outright elimination of export conditions with respect to the subject merchandise. Rather, IPA benefits continue to be contingent upon export performance with respect to ball bearings, the class or kind of merchandise subject to the countervailing duty order. As discussed above, export requirements were in place as a specific condition with respect to Section 36(1) benefits, and export performance criteria continued to exist with respect to the class or kind of merchandise for both Section 31 and Section 28 benefits.

Comment 2: Petitioner alleges that, in the preliminary results, there was a clerical error in the calculation of the mark-up adjustment.

Department's Position: We agree. We used an incorrect figure in the calculation. Using the correct mark-up ratio, we calculate the net subsidy rate to be 4.85 percent *ad valorem*.

Final Results of Review

For the period January 1, 1992, through December 31, 1992, we determine the net subsidy to be 4.85 percent *ad valorem* for all companies.

The Department will instruct the U.S. Customs Service to assess the following countervailing duties:

Manufacturer/exporter	Rate
All Companies	4.85

The Department will instruct the U.S. Customs Service to collect a cash deposit of estimated countervailing duties of 4.85 percent *ad valorem* of the f.o.b. invoice price on all shipments of the subject merchandise from all companies.

This notice serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 C.F.R. 355.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.22.

Dated: September 29, 1995.

Susan G. Esserman,

Assistant Secretary for Import Administration.

Appendix A

Scope of The Review

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

Ball Bearings, Mounted or Unmounted, and Parts Thereof

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

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

[FR Doc. 95–24930 Filed 10–5–95; 8:45 am]

BILLING CODE 3510–DS–P

[1] Prior to the review period, IPA Section 28 allowed companies to import fixed assets free of import duties, the business tax and the local tax. However, effective January 1, 1992, the RTG eliminated both the business tax and the local tax and instituted a value added tax (VAT) system. In the preliminary results of this administrative review, the Department determined that the exemption of the VAT on imports of fixed assets under Section 21(4) of the VAT Act does not constitute a countervailable benefit to the companies specified in Section 21(4). *See Ball Bearings and Parts Thereof from Thailand* (60 FR 42532). Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change this finding or our finding that the exemptions of import duties on fixed assets under Section 28 continue to provide countervailable benefits. However, as stated in the preliminary results, the Department will continue to examine provisions of the VAT Act, including Section 21(4), in future administrative reviews to ascertain that no countervailable benefits are being provided to manufacturers of subject merchandise.