P.K. House Co., Ltd., and General Garment Company, Ltd., manufacturers/exporters covered by the countervailing duty order on certain apparel from Thailand. On February 14, 1996, Regis submitted a withdrawal of its request for review.

Section 355.22(a)(3) of the Department's regulations provides that the Department may permit a party that requests a review to withdraw its request not later than 90 days after the date of publication of the notice of initiation of the review. This regulation also permits the Department to extend the time limit for withdrawal of a request for review if it is reasonable to do so.

Because no significant work has been completed on this review, Regis' request for withdrawal does not unduly burden the Department or the parties to the proceeding. Nor does it encourage the manipulation of the review process in an attempt to achieve lower (or higher) countervailing duty rates. *See Notice of Partial Termination of Administrative Review of Antidumping Order; Certain Corrosion-Resistant Carbon Steel Flat Products from Australia, Certain Cold-Rolled Carbon Steel Flat Products from Germany, and Certain Corrosion-Resistant Carbon Steel Flat Products from Korea*, 60 FR 18581 (April 12, 1995). Therefore, under the circumstances presented in this review, and in accordance with 19 CFR 355.22(a)(3), we have determined that it would be reasonable to grant the withdrawal at this time. Accordingly, we are terminating this review.

This notice is published in accordance with 19 CFR § 355.22(a)(3).

Dated: March 4, 1996.

Joseph A. Spetrini,

*Deputy Assistant Secretary for Compliance.*

[FR Doc. 96–5917 Filed 3–12–96; 8:45 am]

**BILLING CODE 3510–DS–P**

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**[C–559–001]**

## Certain Refrigeration Compressors From the Republic of Singapore; Final Results of Countervailing Duty Administrative Review

**AGENCY:** International Trade Administration, Import Administration, Commerce.

**ACTION:** Notice of final results of countervailing duty administrative review.

**SUMMARY:** On November 18, 1994, the Department of Commerce published the preliminary results of its administrative review of the agreement suspending the countervailing duty investigation on certain refrigeration compressors from the Republic of Singapore.

We have now completed this review and determine that the Government of the Republic of Singapore (GOS), Matsushita Refrigeration Industries (Singapore) Pte. Ltd. (MARIS) and Asia Matsushita Electric (Singapore) Pte. Ltd. (AMS), the signatories to the suspension agreement, have complied with the terms of the suspension agreement during the period April 1, 1992 through March 31, 1993.

**EFFECTIVE DATE:** March 13, 1996.

**FOR FURTHER INFORMATION CONTACT:** Rick Johnson or Jean Kemp, Office of Agreements Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 482–3793.

**SUPPLEMENTARY INFORMATION:**

### Background

On November 18, 1994, the Department of Commerce (the Department) published in the Federal Register (59 FR 59750–2) the preliminary results of its administrative review of the agreement suspending the countervailing duty investigation on certain refrigeration compressors from the Republic of Singapore (48 FR 51167; November 7, 1983). We have now completed this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act).

### Scope of the Review

Imports covered by this review are shipments of hermetic refrigeration compressors rated not over one-quarter horsepower from Singapore. This merchandise is currently classified under *Harmonized Tariff Schedule* (HTS) item number 8414.30.40. The HTS item number is provided for convenience and Customs purposes. The written description remains dispositive.

The review period is April 1, 1992 through March 31, 1993. The Department examined six programs, one of which, Operational Headquarters, was determined not to apply to subject merchandise (see discussion below). The review covers one producer and one exporter of the subject merchandise, MARIS and AMS, respectively. These two companies, along with the GOS, are the signatories to the suspension agreement.

Under the terms of the suspension agreement, the GOS agrees to offset completely the amount of the net bounty or grant determined by the Department in this proceeding to exist with respect to the subject merchandise. The offset entails the collection by the GOS of an export charge applicable to the subject merchandise exported on or after the effective date of the agreement. *See Certain Refrigeration Compressors from the Republic of Singapore: Suspension of Countervailing Duty Investigation*, 48 FR 51167, 51170 (November 7, 1983).

### Applicable Statute 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. 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).

### Analysis of Comments Received

In our preliminary results of review, we preliminarily determined that the signatories to the suspension agreement complied with the terms of the suspension agreement during the period of review. We invited interested parties to comment on the preliminary results. We received comments from petitioner and respondents. Our analysis of these comments follows.

*Comment 1:* Respondents argue that the Department incorrectly found the Finance and Treasury Center (FTC) program to be countervailable on the basis of a *de facto* specificity analysis, because even though the FTC program has only been in existence since 1990, the program has been used by ten companies in five separate and disparate industries or groups of industries. Respondents assert that a program cannot be found to be used by a ''specific group'' of industries simply because the beneficiaries are identifiable, or because a program benefits only a small portion of the economy. According to respondents, the Department must find that the program's participants fall within the same industry or group of industries in order to reach a determination that a program is *de facto* specific.

Respondents further assert that, in accordance with *PPG Industries, Inc. v. United States,* 978 F.2d 1232, 1240–41 (Fed. Cir. 1992) (''*PPG II*''), the actual make-up of the eligible firms must be evaluated to determine whether those firms comprise a specific industry or group of industries.

Petitioner argues that the Department properly determined that the FTC program is used by a specific group of industries, because it is clear from the small number of users of the program that the program has in fact a narrow (as opposed to general) application, which petitioner contends is the objective of the Department's specificity analysis. Furthermore, petitioner asserts that respondents' interpretation would present ''insurmountable'' problems of administration, because the level of aggregation or disaggregation of industries would become the critical factor in specificity cases.

*Department's Position:* It is established Departmental practice to find a program's benefits to be *de facto* specific, and therefore countervailable, when the Department has determined that the number of enterprises, industries, or groups thereof using the program is too few. (*See, e.g., Live Swine from Canada; Final Results of Countervailing Duty Administrative Review,* 59 FR 12243, 12246–7 (March 16, 1994). *See also Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Belgium,* 58 FR 37273, 37290 (July 9, 1993).)

With respect to *PPG II*, the Department notes that this decision upheld the Department's determination of the non-specificity of a program in which there were many more users than in the instant review. While the Court of Appeals has thereby addressed what is evidence insufficient to reverse a finding of non-specificity, *PPG II* did not address what is required for the Department to make an affirmative *de facto* specificity finding based on ''too few'' users. This is consistent with the Court's long-standing practice of recognizing the Department's broad discretion to interpret the statutory definition of subsidy. *See, e.g., PPG Indus. v. United States,* 928 F.2d 1571 (Fed. Cir. 1991) (''*PPG I*'').

Moreover, we disagree with respondent's contention that the Department is required in every case to evaluate the actual make-up of eligible firms to determine whether those firms comprise a specific industry or group thereof before determining whether the number of users of a program is too few. In clear cases, the make-up of the firms and industries receiving benefits is irrelevant to the Department's specificity determination because the number of users is sufficiently small relative to the total number of enterprises and industries in the economy as a whole to end the inquiry at that point. In this case, given that Singapore has a great number of companies and industries, the number of companies (10) and industries (5) receiving benefits under the FTC program is sufficiently small enough that the Department need not inquire further.

*Comment 2:* Respondents argue that the FTC program could not be found to be *de facto* specific based on a finding that the GOS has acted to limit the availability of the FTC program. Respondents assert that the criteria for approval under the FTC program are broad and do not unduly restrict availability, and that the program's eligibility requirements are simply designed to prevent firms from taking advantage of the program by establishing fraudulent ''shells''. Thus, the GOS argues, it has not acted to limit the availability of the FTC program.

In turn, petitioner argues that respondents have stated in the questionnaire response that the program is *de facto* limited to multinational corporations, specifically the small number having sufficiently large operations in Singapore to maintain the establishment of an expensive treasury support office, and that there is no record support for the assertion that the qualifications of the program serve only to prevent fraud.

*Department's Position:* The Department notes that, in its preliminary results, it concluded that the FTC program is *de facto* specific, and therefore countervailable, on the basis that only a small group of enterprises, representing five industries, participates in the program. Furthermore, after considering comments submitted by both parties on this point, the Department continues to find the small number of users of the program dispositive evidence of *de facto* specificity. *See* Comment 1.

The Department did conclude in its preliminary determination that the GOS has acted to limit the availability of the FTC program because, as respondents have stated for the record, the GOS has limited participation to a small number of multinational corporations having sufficiently large operations in Singapore to support the establishment of an expensive treasury support office. However, the Department notes that its finding of countervailable specificity was not based on its consideration of the GOS' actions to limit the availability of the FTC program to large firms. Indeed, the exception for not finding specificity based on firm size is limited to ''small and small-to-medium-sized'' firms. *See* section 355.43(7) of the *Proposed Regulations.*

*Comment 3:* Respondents argue that the FTC program could not be found to be *de facto* specific based on a finding that the GOS has used discretion in conferring benefits. Respondents claim that the GOS' discretion to determine the length of the award period, ''with longer awards granted to applicants who commit more manpower, activities, and financial resources to the FTC operations,'' is not enough to support a finding by the Department that such discretion serves to benefit a specific industry, because ''these are neutral, non-specific criteria.'' In any event, respondents continue, since AMS was not the beneficiary of a longer award, the ''GOS has not used whatever discretion it may have to favor the investigated industry.''

Petitioner argues that the GOS is the only entity that acts on applications, and for this reason, respondents' assertion that the Department would not find a program countervailable if neutral, non-specific criteria were applied is misplaced. Petitioner, relying on *In the Matter of Live Swine from Canada: Final Results of Redetermination Pursuant to Binational Panel Remand* (''*Live Swine*''), USA–91–1904–03, 1992 WL 212444, *11 U.S.Can.F.T.A.Binat.Panel (July 20, 1992), also contends that specificity is not determined on the basis of an actual exercise of discretion, but rather on a government's ability to exercise it.

*Department's Position:* As noted in Comment 1, the Department continues to find the FTC program to be specific, and therefore countervailable, based on the ''too few users'' prong. Therefore, we did not reach the issue of whether the FTC program is specific based on the extent to which a government exercises discretion in conferring benefits under a program.

*Comment 4:* Petitioner asserts that there is evidence to support a conclusion that there are dominant users of the FTC program, noting that half of the ten companies, including AMS, are members of a single industry. Respondents did not comment on this issue.

*Department's Position:* The Department has found *de facto* specificity based on the fact that a small number of enterprises participate, representing only five industries. We therefore did not reach the issue of whether the FTC program is specific based on the dominant users prong.

*Comment 5:* Petitioner alleges that the Department should have discussed the Operational Headquarters (OHQ) program in its preliminary results, and that by omitting a discussion of this program, the Department failed to set out the basis in fact and law for denying a determination that the OHQ program is a dutiable subsidy. Petitioner also asserts that it has consistently argued that this program has conferred a countervailable benefit.

Respondents argue that Commerce was not required to address the OHQ program in its preliminary determination. Respondents claim that in the absence of new information, Commerce has no obligation to reopen the issue again. Respondents observe, as well, that petitioner has not been denied an opportunity to comment on the OHQ program, since in its case brief it addresses this program in detail.

*Department's Position:* We agree with respondents. The OHQ program has been examined in past reviews (the seventh and the eighth), and the Department has consistently found that because no benefits are conferred in connection with the subject merchandise, the OHQ program therefore has not been countervailable. *See Verification of Questionnaire Response for Certain Refrigeration Compressors from Singapore: Review Period—April 1, 1989 through March 31, 1990,* July 30, 1991, page 11, in the public file of the Department's Central Records Unit, located in Room B–099 in the main Commerce building and which has been added to the record in this case. *See* also *Certain Refrigeration Compressors from the Republic of Singapore; Preliminary Results of Countervailing Duty Administrative Review,* 57 FR 31174–31175 (July 14, 1992), in which the Department preliminarily determined (and upheld in the final determination—*See Certain Refrigeration Compressors from the Republic of Singapore; Final Results of Countervailing Duty Administrative Review,* 57 FR 46539, 46540 (October 9, 1992)) that AMS did not receive any benefits under the OHQ program because petitioner had not made any new allegations that were different from those made in the previous review. That is, profits arising from the use of income tied to the production of subject merchandise are explicitly excluded, in law and under the terms of AMS' OHQ certificate, from receiving benefits under the program. This was again found to be the case, and was verified by the Department, in the current review, and petitioner has presented no new information suggesting that the program operates any differently now than in past reviews. Moreover, petitioner's arguments regarding the program were premised on the assumption that benefits could not be tied to specific products. Petitioner itself states that ''only where the benefits are specifically not applicable to the product under investigation is further inquiry precluded.'' Since that is in fact the case, as it has been in all of the Department's previous reviews of this program under the suspension agreement, petitioner's arguments are moot.

Regarding petitioner's claim that it has been denied an opportunity to comment on the OHQ program, such a statement ignores the fact that petitioner submitted a case brief which discussed the program, and that the Department held a hearing at which petitioner's extensive comments about the OHQ program were discussed.

Concerning the Department's obligation to discuss OHQ in its preliminary determination, the record clearly shows that the Department found in previous reviews and verified in this review that no benefits are conferred upon the subject merchandise. Because no argument has been made which challenges that finding, the Department is not obligated to look at this program under the terms of the suspension agreement, which applies only to subject merchandise. The Department's regulations were not intended to require the Department to discuss programs which do not apply to subject merchandise. Therefore, it was not necessary for the Department to address this program in its preliminary determination.

*Comment 6:* Regarding the Department's preliminary determination of non-countervailability of Part IX of the Economic Expansion Incentives Act (EEIA), also known as the technical assistance fee (TAF) exemption, petitioner contends that the Department's preliminary determination in the investigation did not preclude a finding of countervailability at this stage. Petitioner argues that the Department's findings in 1983 are not determinative for a case raising this issue in 1994.

Respondents assert that petitioner has provided no new information demonstrating why the TAF program should be countervailed. Respondents claim that because the Department stated, in its final determination for the fourth and fifth reviews, that the TAF program was not countervailable, the Department should not re-examine this program in the absence of new information.

*Department's Position:* The Department is under no statutory or regulatory obligation to re-examine the TAF program absent new evidence of changed circumstances. *See Final Affirmative Countervailing Duty Determination and Countervailing Duty Order: Fabricated Automotive Glass From Mexico,* 50 FR 1906, 1909 (January 14, 1985), in which the Department states that ''(a)bsent new evidence or changed circumstances, we do not reinvestigate programs found not to be countervailable in earlier investigations''; *aff'd, PPG Indus., Inc. v. United States,* 781 F. Supp. 781 789 (Ct. Int'l Trade 1991). *See* also *Final Affirmative Countervailing Duty Determination and Countervailing Duty Order; Lime from Mexico, 4*9 FR 35672, 35677 (September 11, 1984), in which the Department did not investigate an allegation concerning a program because it had ''previously been found not to confer a bounty or grant, and petitioners did not allege new facts to justify a review of this finding''; *aff'd, Can-Am Corp. V. United States,* 664 F. Supp. 1444, 1449 (Ct. Int'l. Trade 1987), (''(s)ince there was no new evidence...the Court finds that Commerce's decision not to reinvestigate is reasonable and in accordance with law''). However, the Department is not prohibited, either under the terms of the suspension agreement or pursuant to its regulations, from re-examining this program. In fact, the Department is open to new arguments regarding previously examined programs. Because petitioner has represented the TAF program in a new light for this review, the Department has addressed the new argument with respect to ''benefit'' below.

*Comment 7:* Petitioner argues that the TAF exemption confers a benefit by reducing the cost of that assistance purchased by MARIS.

Petitioner contends that, because the program eliminates the withholding tax normally charged by the GOS, it changes the cost structure for technical assistance, permitting a lower price to the purchaser in Singapore. Petitioners also assert that the program operates to allow foreign licensors to escape all taxation of their Singapore revenues—both Singapore taxes and home country taxes.

Respondents argue that the purpose of the program is not to lower the cost of technical assistance to the purchaser (MARIS), but to non-Singaporean licensors (MARIS' Japanese parent, and Mana Precision Casting Co., Ltd. (''Mana''), a Japanese licensor which is related to MARIS), so that foreign

companies will transfer technology to Singapore companies that do not have such technological capabilities. In any event, respondents assert that petitioner has not established that the TAF program confers a subsidy, bounty or grant on MARIS itself. Respondents also note that MARIS does not receive a tax benefit; rather, Mana does. As such, respondents conclude that TAF does not confer a benefit to MARIS. Petitioner also makes a number of claims regarding the *countervailability* of the TAF exemption, including arguments to support their assertion that this program is specific. Respondents have replied to these claims.

*Department's Position:* In order for the Department to find that benefits conferred under a program are countervailable, the Department must determine at the outset whether a benefit has been conferred on the investigated company. In past reviews, petitioner has alleged that the TAF program would confer a countervailable benefit if MARIS' technical assistance fee payments were excessive, thereby allowing MARIS to artificially lower its reported taxable profit. (*See Certain Refrigeration Compressors from the Republic of Singapore; Final Results of Administrative Review of Suspension Agreement,* 50 FR 30493–30494 (July 26, 1985), and *Certain Refrigeration Compressors from the Republic of Singapore; Final Results of Countervailing Duty Administrative Review,* 53 FR 25647–25648 (July 8, 1988).)

Petitioner now argues that in fact, MARIS receives a benefit by paying *lower* fees than it would absent the TAF program. The Department has verified in past reviews that such transactions between MARIS and its non-Singaporean licensor are ''normal commercial transactions'' (*See Certain Refrigeration Compressors from the Republic of Singapore; Preliminary Results of Countervailing Duty; Administrative Review,* 51 FR 37055 (October 17, 1986), *aff'd, Certain Refrigeration Compressors from Singapore, Final Results of Countervailing Duty Administrative Review,* 52 FR 849 (January 9, 1987).) As such, these payments are neither too high nor too low (although the Department found, in the 1985 review, that the fees did not cover the costs of the assistance provided, the licensor raised its rates subsequent to that review). While petitioner has assumed that the result of the technical assistance program is that Mana charges MARIS lower fees for technical assistance than it otherwise would, petitioner has submitted no evidence that this is in fact the case.

Because petitioner has not proven that a benefit to MARIS, either direct or indirect, exists with regard to this program, and because no evidence on the record indicates that benefits are conferred on MARIS, the Department concludes that MARIS has not been the recipient of any benefits, including countervailable benefits, under the TAF program for the period of review.

Because the Department has concluded that MARIS has not received any benefits under the TAF program for the period of review, the question of the countervailability of the TAF program is moot.

Final Results of Review

After considering the comments received, we determine that the signatories to the suspension agreement have complied with the terms of the suspension agreement, including the payment of the provisional export charge for the review period. From April 1, 1992, through October 1, 1992, a provisional export charge rate of 4.05 percent was in effect, and from October 2, 1992, through March 31, 1993, a rate of 5.52 percent was in effect.

We determine the total bounty or grant to be 3.00 percent of the f.o.b. value of the merchandise for the April 1, 1992 through March 31, 1993 review period. Following the methodology outlined in section B.4 of the agreement, the Department determines that, for the April 1, 1992, through October 1, 1992, portion of the review period, and for the October 2, 1992, through March 31, 1993, portion of the review period, negative adjustments may be made to the provisional export charge rates in effect. The adjustments will equal the difference between the provisional rates in effect during the review period and the rate determined in this review, plus interest. These rates, established in the notices of the final results of the seventh and eighth administrative reviews of the suspension agreement (*See Certain Refrigeration Compressors from the Republic of Singapore; Final Results of Countervailing Duty Administrative Review,* 56 FR 63714 (December 5, 1991); and 57 FR 46540 (October 9, 1992)) are 4.05 and 5.52 percent, respectively. For this period the GOS may refund or credit, in accordance with section B.4.c of the agreement, the difference to the companies, plus interest, calculated in accordance with section 778(b) of the Tariff Act.

The Department intends to notify the GOS that the provisional export charge rate on all exports of the subject merchandise to the United States with Outward Declarations filed on or after the date of publication of the final results of this administrative review shall be 3.00 percent of the f.o.b. value of the merchandise.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1) and section 355.22 of the Department's regulations (19 CFR 355.22(1994)).

Dated: March 4, 1996.

Susan G. Esserman,

*Assistant Secretary for Import Administration.*

[FR Doc. 96–5914 Filed 3–12–96; 8:45 am]

BILLING CODE 3510–DS–P

## DEPARTMENT OF THE INTERIOR

### Office of the Secretary

**[Docket No. 931090–4048]**

**RIN 0625–AA46**

### Allocation of Duty-Exemptions for Calendar Year 1996 Among Watch Producers Located in the Virgin Islands

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce; and Office of the Secretary, Department of the Interior.

**ACTION:** Notice.

**SUMMARY:** This action allocates 1996 duty-exemptions for watch producers located in the Virgin Islands pursuant to Pub. L. 97–446 as amended by Pub. L. 103–465.

**FOR FURTHER INFORMATION CONTACT:** Faye Robinson, (202) 482–1660.

**SUPPLEMENTARY INFORMATION:** Pursuant to Pub. L. 97–446 as amended by Pub. L. 103–465, the Departments of the Interior and Commerce (the Departments) share responsibility for the allocation of duty exemptions among watch assembly firms in the United States insular possessions and the Northern Mariana Islands. In accordance with Section 303.3(a) of the regulations (15 CFR Part 303), this action establishes the total quantity of duty-free insular watches and watch movements for 1996 at 5,100,000 units and divides this amount among the three insular possessions of the United States and the Northern Mariana Islands. Of this amount, 3,600,000 units may be allocated to Virgin Islands producers, 500,000 to Guam producers, 500,000 to American Samoa producers and 500,000 to Northern Mariana Islands producers (59 F.R. 8847).

The criteria for the calculation of the 1996 duty-exemption allocations among