Vegetation removal would occur on approximately 24 to 32 feet of the ROW; the road surface proper would be approximately 14 feet wide. Because road grade and terrain would vary, the amount of the 66-foot ROW affected and the exact amount utilized per mile is unknown. Plum Creek would construct and maintain the roads according to Forest Service road construction standards and guidelines.

The Mt. Baker-Snoqualmie LRMP (as amended) provides guidance for access across National Forest System lands through its goals, objectives, standards, guidelines, and management direction.

An environmental document will be produced which will display alternatives considered, including no action and the proposed action, and an estimation of the effects of the alternatives. The EIS will analyze the direct, indirect, and cumulative effects of the alternatives. Past, present, and projected activities on both private and National Forest System lands will be considered. The EIS will disclose the effects of site-specific mitigation.

Comments from the public will be used to:

- Identify potential issues.
- Identify major issues to be analyzed in depth.
- Eliminate minor issues or those that have been covered by a previous environmental analysis, such as the Mt. Baker-Snoqualmie LRMP.
- Identify alternatives to the proposed action.
- Identify potential environmental effects of the proposed action and alternatives.
- Determine potential cooperating agencies and task assignments.

Issues identified as the result of internal scoping include:

- How will wildlife and wildlife habitat be affected by the project;
- Will unique plant communities be affected;
- Will fish habitat be affected downstream, especially in Sawmill Creek which has a distinct population of trout as well as coho and steelhead that are being planted by the State and the Muckleshoot Tribe;
- Will water quality be affected by sedimentation from mass wasting and surface erosion;
- Will large woody material be affected;
- Will water temperature be affected;
- The conversion of areas without roads to roaded areas; and
- Will cultural properties or heritage sites be impacted.

An initial scoping letter was mailed on August 8, 1997. One public scoping meeting will be held on September 9, 1997, at the North Bend Ranger District from 7:00 p.m. to 9:00 p.m. The responses and information provided during scoping will be compiled and will be incorporated into the analysis.

The draft EIS is expected to be filed in December 1997. The comment period on the draft EIS will be 45 days from the date the Environmental Protection Agency publishes the notice of availability in the **Federal Register**.

The Forest Service believes that it is important to give reviewers notice at this early stage of several court rulings related to public participation in the environmental review process. First, reviewers of the draft EIS must structure their participation in the environmental review of the proposal so that it is meaningful and alerts an agency to the reviewer's position and contentions. *Vermont Yankee Nuclear Power Corp.* v. *NRDC*, 435 U.S. 519, 553 (1978). Also, environmental objections that could be raised at the draft EIS stage but that are not raised until after completion of the final EIS may be waived or dismissed by the courts. *City of Angoon* v. *Hodel*, 803 F. 2d 1016, 1022 (9th Cir, 1986) and *Wisconsin Heritages, Inc.* v. *Harris*, 490 F. Supp. 1334, 1338 (E.D. Wis. 1980). Because of these court rulings, it is very important that those interested in this proposed action participate by the close of the 45-day comment period so that substantive comments and objections are made available to the Forest Service at a time when it can meaningfully consider them and respond to them in the final EIS. To assist the Forest Service in identifying and considering issues and concerns on the proposed action, comments on the draft EIS should be as specific as possible. It is also helpful if comments refer to specific pages or chapters of the draft EIS. Comments may also address the adequacy of the draft EIS or the merits of the alternatives formulated and discussed in the EIS. (Reviewers may wish to refer to the Council on Environmental Quality Regulations for implementing the procedural provisions of the National Environmental Policy Act at 40 CFR 1503.3 in addressing these points.)

The final EIS is scheduled to be completed in June 1998. In the final EIS, the Forest Service is required to respond to comments and responses received during the comment period that pertain to the environmental consequences discussed in the draft EIS and applicable laws, regulations, and policies considered in making the decision regarding this proposal. The lead agency is the Forest Service. Dennis E. Bschor, Supervisor of the Mt. Baker-Snoqualmie National Forest, is the responsible official. As the responsible official, he will document the decision and the reasons for the decision in the Record of Decision. That decision will be subject to Forest Service appeal regulations (CFR Part 215).

Dated: August 7, 1997.

Terry L. Degrow,

Acting Forest Supervisor.

[FR Doc. 97–21786 Filed 8–15–97; 8:45 am]

BILLING CODE 3410–11–M

DEPARTMENT OF COMMERCE

International Trade Administration

[C–489–502]

Certain Welded Carbon Steel Pipes and Tubes and Welded Carbon Steel Line Pipe From Turkey; Final Results of Countervailing Duty Administrative Reviews

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

ACTION: Notice of final results of countervailing duty administrative reviews.

SUMMARY: On April 8, 1997, the Department of Commerce (the Department) published in the **Federal Register** its preliminary results of administrative reviews of the countervailing duty orders on certain welded carbon steel pipes and tubes and welded carbon steel line pipe from Turkey for the period January 1, 1995 through December 31, 1995. The Department has now completed these administrative reviews in accordance with section 751(a) of the Tariff Act of 1930, as amended. For information on the net subsidy for each reviewed company, and for all non-reviewed companies, please see the *Final Results of Reviews* section of this notice. We will instruct the U.S. Customs Service to assess countervailing duties as detailed in the *Final Results of Reviews* section of this notice.

EFFECTIVE DATE: August 18, 1997.

FOR FURTHER INFORMATION CONTACT: Stephanie Moore or Kelly Parkhill, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–3692 or (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

Pursuant to 19 C.F.R. § 355.22(a), the review on pipe and tube covers Erciyas Boru Sanayii ve Ticaret A.S. (Erbosan), a pipe and tube producer and exporter, who specifically requested the review. The review on line pipe covers Mannesmann-Sumerbank Boru Endustrisi T.A.S. (Mannesmann), a line pipe producer and exporter, who specifically requested the review. These reviews also cover 28 programs.

Since the publication of the preliminary results on April 8, 1997 (62 FR 16782), the following events have occurred. We invited interested parties to comment on the preliminary results. On May 8, 1997, a case brief was submitted by the Government of Turkey (GRT), Mannesmann, which exported line pipe, and Erbosan, which exported pipe and tube to the United States during the review period (respondents). On May 15, 1997, rebuttal briefs were submitted by Mannesmann and by Wheatland Tube Company (petitioner).

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA) effective January 1, 1995 (the Act). Citations to the Department's regulations are in reference to those regulations codified at 19 CFR part 355, as they existed on April 1, 1996. The Department is conducting these administrative reviews in accordance with section 751(a) of the Act.

Scope of the Reviews

Imports covered by these reviews are shipments from Turkey of two classes or kinds of merchandise. The first class or kind is certain welded carbon steel pipe and tube, having an outside diameter of 0.375 inch or more, but not over 16 inches, of any wall thickness. These products, commonly referred to in the industry as standard pipe and tube or structural tubing, are produced to various American Society for Testing and Materials (ASTM) specifications, most notably A–53, A–120, A–135, A–500, or A–501. The second class or kind is certain welded carbon steel line pipe with an outside diameter of 0.375 inch or more, but not over 16 inches, and with a wall thickness of not less than .065 inch. These products are produced to various American Petroleum Institute (API) specifications for line pipe, most notably API–L or API–LX. These products are classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7306.30.10 and 7306.30.50. The HTSUS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Verification

We verified information provided by the GRT, Erbosan and Mannesmann, as provided in section 782(i) of the Act. We followed standard verification procedures, including meeting with government and company officials, and examining relevant accounting and other original source documents. Our verification results are outlined in the public versions of the verification reports, which are on file in the Central Records Unit (Room B–099 of the Main Commerce Building).

Analysis of Programs

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

I. Programs Conferring Subsidies

A. Program Previously Determined To Confer Subsidies

Pre-Shipment Export Credit

In the preliminary results, we found that this program conferred a countervailable subsidy on the subject merchandise. Our review of the record and our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings from the preliminary results. Accordingly, the net subsidies for this program remain unchanged from the preliminary results and are as follows:

Manufacturer/exporter of pipe and tube	Assessment rate
Erbosan	1.77%

Manufacturer/exporter of line pipe	Assessment rate
Mannesmann	0.73%

B. New Programs Determined to Confer Subsidies

1. Investment Allowance

In the preliminary results, we found that this program conferred a countervailable subsidy on the subject merchandise. Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings from the preliminary results. Accordingly, the net subsidies for this program remain unchanged from the preliminary results and are as follows:

Manufacturer/exporter of pipe and tube	Assessment rate
Erbosan	0.02%

2. Freight Program

In the preliminary results, we found that this program conferred a countervailable subsidy on the subject merchandise. Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings from the preliminary results. Accordingly, the net subsidies for this program remain unchanged from the preliminary results and are as follows:

Manufacturer/exporter of pipe and tube	Assessment rate
Erbosan	1.02%

3. Resource Utilization Support Premium

In the preliminary results, we found that this program conferred a countervailable subsidy on the subject merchandise. Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings from the preliminary results. Accordingly, the net subsidies for this program remain unchanged from the preliminary results and are as follows:

Manufacturer/exporter of pipe and tube	Assessment rate
Erbosan	0.05%

4. Export Incentive Certificate Customs Duty and Other Tax Exemptions

In the preliminary results, we found that this program conferred a countervailable subsidy on the subject merchandise. We did not receive any comments on this program from the interested parties. Accordingly, the net subsidies for this program remain unchanged from the preliminary results and are as follows:

Manufacturer/exporter of pipe and tube	Assessment rate
Erbosan	0.06%

Manufacturer/exporter of line pipe	Assessment rate
Mannesmann	0.02%

5. Foreign Exchange Loan Assistance

In the preliminary results, we found that this program conferred a countervailable subsidy on the subject merchandise. Our analysis of the comments submitted by the interested parties, summarized below, has led us to modify our findings from the preliminary results for this program. Accordingly, the net subsidies for this program have changed and are as follows:

Manufacturer/exporter of pipe and tube	Assessment rate
Erbosan	1.10%

II. Programs Found To Be Not Used

In the preliminary results, we found that the producers and/or exporters of the subject merchandise did not apply for or receive benefits under the following programs:

A. Resource Utilization Support Fund
B. State Aid for Exports
C. Advance Refunds of Tax Savings
D. Export Credit Through the Foreign Trade Corporate Companies Rediscount Credit Facility (Eximbank)
E. Past Performance Related Foreign Currency Export Loans (Eximbank)
F. Export Credit Insurance (Eximbank)
G. Subsidized Turkish Lira Credit Facilities
H. Subsidized Credit for Proportion of Fixed Expenditures
I. Fund Based Credit
J. Regional Subsidies
   1. Additional Refunds of VAT (VAT +10%)
   2. Postponement of VAT on Imported Goods
   3. Incentive Premium on domestically Obtained Goods (Rebate of VAT on Domestically-Sourced Machinery and Equipment)
   4. Land Allocation (GIP)
   5. Taxes, Fees (Duties), Charge Exemption (GIP)

Our analysis of the comments submitted by the interested parties, summarized below, has not led us to change our findings from the preliminary results for the programs noted above.

III. Programs Found To Be Terminated

In the preliminary results, we found that the following programs either never existed or were terminated and that no residual benefits were being provided:

A. Export Performance Credits
B. Deduction from Taxable Income for Export Revenues
C. Preferential Export Financing Under Decree 84/8861
D. Interest Spread Return Program (GIP)
E. Export Credits Under Communique No. 1
F. Corporate Tax Deferral
G. Payment of Certain Obligations of Firms Undertaking Large Investments
H. Subsidized Credit in Foreign Currency

We did not receive any comments on these programs from the interested parties. Accordingly, the final results remain unchanged from the preliminary results.

Analysis of Comments

Comment 1: Erbosan argues that the Department incorrectly found that the pre-shipment loan program is an untied export loan program. In Erbosan's view, the Department's decision was based on a finding that the loans are not specifically tied to a particular destination at the time the loans are approved. However, Erbosan maintains that the loans can be tied to particular destinations because proof of export must be provided in order to close out the loan. Once an export is used to close a loan it cannot be used to satisfy any other loan commitments.

According to Erbosan, it is the Department's long-standing policy to countervail pre-shipment loans obtained in connection with shipments to the United States if the loan can be tied to specific shipments. For example, in *Final Affirmative Countervailing Duty Determination: Certain Pasta from Turkey,* 61 FR 30366 (June 14, 1996) (*Turkish Pasta*), the Department found that these same pre-shipment loans could be linked to particular destinations. Erbosan also alleges that the Department took the same course regarding BANCOMEXT loans in *Preliminary Results of Administrative Review: Certain Textile Mill Products from Mexico,* 60 FR 5166 (January 26, 1995) and *Final Results of Administrative Review: Certain Textile Mill Products from Mexico,* 60 FR 20965 (April 28, 1995) (*Textile Mill Products from Mexico*). In this case, however, Erbosan argues that the Department departed from past practice and modified its test in this review by looking to see whether the destination is known at the time the loan is approved. Erbosan asserts that it makes no sense to link the benefit to the approval date since the benefit does not accrue from this program until the merchandise is shipped and the loan, with interest, is repaid. Erbosan continues that parties must be able to rely on the Department's past practice for purposes of being able to plan for the future. The Department's departure in this case, therefore, is not only unjustified, it is unreasonable.

Mannesmann does not agree with Erbosan's position and supports the Department's determination that the loans under the pre-shipment program are ''untied.'' Mannesmann points out that Erbosan does not take issue with the factual basis of the Department's determination. Namely, that the export destinations actually used to close the loans may be different than the export destinations listed on the loan application. Accordingly, Mannesmann maintains that the destinations listed on the loan application are nothing more than ''place-holders'' since the actual destinations used to fulfill the export requirement may differ. For this reason, the Department appropriately found the pre-shipment loans ''untied.'' Mannesmann states that Erbosan is correct to say that, when loans are tied to specific destinations, the Department countervails only loans that are tied to U.S. shipments. However, in this case, the Department specifically found that the loans were not tied to specific destinations because they were not tied at the time of application. Although the Department found these loans tied in *Turkish Pasta,* Mannesmann asserts that nowhere in that case does the Department discuss the fact that loans were not tied to destinations at the time of application, presumably because the Department was unaware of that fact.

Mannesmann also argues that the Department has not departed from past practice; the Department's practice was and is to tie U.S. loans to U.S. shipments where possible. In this case, the Department found that it was not possible to make that link because the destination that would ultimately be used to fulfill the export requirement was not known at the time of the loan application. According to Mannesmann, the Department has ''modified its test'' only to the extent that it addressed a fact pattern that it had not encountered before (or not been aware of before).

Finally, Mannesmann states that Erbosan is incorrect to assert that the benefits of pre-shipment export loans do not accrue until the merchandise is shipped and the loan repaid. These loans are designed to assist companies during the manufacturing stage, prior to shipment—hence the name, ''pre-shipment'' loans. Mannesmann asserts that during the period that the manufacturer benefits from the loans, the manufacturer does not need to specify the export destination and, thus, the Department's determination that these loans are untied is logical and reasonable and should be sustained in the final results.

The petitioner argues that the Department should reaffirm its position that pre-shipment export loans are untied. According to the petitioner, the pre-shipment loans purportedly received in connection with exports to the U.S. cannot validly be segregated by export destination. The petitioner claims that Erbosan's own records demonstrate that pre-shipment export loans are granted to cover exports to all countries, and numerous exports to different destinations may be required to equal the export loan commitment. Thus, by Erbosan's own admission, the loans were not received in connection with exports to the United States as opposed to other export destinations. Since Erbosan can use any exports it chooses to close out a pre-shipment export loan, any identification of loans by Erbosan as specifically tied to U.S. sales would be an artificial construct subject to manipulation.

Department's Position: We disagree with Erbosan, and continue to believe that the pre-shipment loan program is an untied export loan program countervailable under section 771(5)(E)(ii). Erbosan asserts that the Department has unfairly modified its ''test'' for tying benefits to particular shipments by looking to see whether the destination is known at the time the loan is approved, but as Mannesmann correctly points out, the Department's practice is to attribute benefits to specific merchandise or particular destinations when the benefit is tied at the point of bestowal to that merchandise or destination. *See, e.g., Notice of Final Results of Countervailing Duty Administrative Review: Roses and Other Cut Flowers from Colombia,* 52 FR 48847, 48848 (December 28, 1987) (*Roses*). In this case, we examined the export destinations listed on the application in order to determine whether the loans were tied to particular shipments from their inception through their closure. In this case, we examined the export destinations listed on the application in order to determine whether the loans were tied to particular shipments from their inception through their closure. Based on the facts present in this case, we found pre-shipment export loans to be untied because the actual export destinations used to close out the loans were not always the same as the export destinations listed on the loan applications and exports to two or more different destinations were also used to close out a single loan. A loan cannot be said to be tied to a particular shipment when the recipient can pick and choose which export destinations to use to close out each loan.

While Erbosan is correct to note that the Department has found loans tied to specific shipments in *Textile Mill Products from Mexico,* and that we found pre-shipment export loans to be tied to particular shipments in *Turkish Pasta,* in those determinations, the Department did not make a finding that the loans were not tied to destinations at the time of application. Therefore, it is incorrect to point to these cases as evidence for the proposition that benefits need not be tied at the time of approval of the pre-shipment loans and, thus, that the Department is departing from its past practice in *Turkish Pasta* and *Textile Mill Products from Mexico.* Rather, we are consistent with our past practice of tying benefits to particular shipments by ascertaining whether the export destination was specified at the time that the pre-shipment loan was approved. *Roses* at 48848. We are not linking *per se,* as Erbosan alleges, the benefits from these loans to the application date. On the contrary, we are merely utilizing the more extensive information regarding this program in the instant review. We have determined that pre-shipment export loans could not be tied to particular shipments, but were available for exports in general.

Comment 2: The respondents argue that the Department improperly deducted an amount referred to as the ''exchange difference'' from the verified sales values used as the denominator to calculate the benefit rates. According to the respondents, the amount improperly deducted represents a portion of the proceeds recorded in a Turkish company's books from a sale that is invoiced in a foreign currency. Because of hyperinflation in Turkey, the respondents can calculate the precise Turkish Lira (TL) value of foreign currency sales only after payment is received and when the foreign currency is converted to TL. The respondents first record in their books an estimated TL value for the sale using the exchange rate in effect on the invoice date. When the companies receive final payment, the foreign currency value when converted to TL is higher than the amount that was recorded in the books at the time of invoicing. This difference is recorded in a separate exchange rate difference account—the kur farki account. According to the respondents, consistent with Turkish GAAP, these two accounts are added together to equal the total sales value reflected on the companies' audited financial statements.

The respondents continue that the value in the kur farki account reflects actual revenue earned from export sales. The values are not a result of an exchange rate scheme or a hedging mechanism to generate exchange rate gains. The respondents point out that the questionnaire specifically asked for the ''total value'' of total sales, and defined the term ''value'' as the ''actual value booked and recorded in your accounting records.'' Accordingly, the respondents reported the total sales value as recorded in their accounting records, *i.e.*, the sum of the values in the sales revenue accounts plus the sum of the values in the kur farki account.

The petitioner argues that the Department correctly excluded the portion of the respondents' sales values that resulted from changes in the U.S. dollar/Turkish lira exchange rates. The petitioner states that the sales price is recorded using the exchange rate on the date of invoice and that subsequent changes in the exchange rate are not related to the sales price. If the sales price were dependent on the date of payment by the U.S. customer, the price would vary based on when payment was actually received. It is true that the effect of Turkey's hyperinflation is to create exchange rate gains on all sales where payment occurs after the invoice date. However, according to the petitioner, the gains are tied completely to the rate of change in the exchange rate and, as such, the gains are part of non-operating expenses and income, and are not properly recognized as sales revenue. As a result, the petitioner states that it is appropriate for the Department to correct the respondents' sales information for inappropriate changes in the sales value that were based on exchange rate gains.

Department's Position: We disagree with the respondents. Despite Turkey's hyperinflation, Turkish companies do not index any of the figures, other than fixed assets, in their financial statements to account for inflation. (*See* Mannesmann verification report at page 2). See also *Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Brazil,* 58 FR 37295, 37298 (July 9, 1993). Accordingly, we did not index any of the program benefits received nor the company-specific denominators (sales) in our calculations of the subsidy benefits for Mannesmann and Erbosan in the *Preliminary Results.* However, if we accepted the respondents' position and included exchange differences in their sales figures, it would be tantamount to indexing only half of the equation—the denominator for export subsidy programs. For example, a domestic sale will generate the same amount of TL between the date of sale and the date of payment. On the other hand, an export sale will generate more TL on the date of payment due to the effects of hyperinflation on the exchange rate between that date and the date of sale. The result of including kur farki in the sales figures would be equivalent to indexing export sales for inflation and, thus, would inflate the denominator while the program benefits (the numerator) would remain unindexed. Such a result would unfairly distort the Department's calculation. We also disagree with the respondents' argument that, alternatively, the Department should adjust the calculations to determine the subsidy benefit to reflect the exchange rate in effect on the date of export and not the date of payment to ensure that the benefit is not overstated, as it is similarly designed to take advantage of the impact of hyperinflation on the TL/U.S. dollar exchange rate. Because, as described, both of the methods articulated by the respondents would inaccurately decrease the subsidy rate for export programs, we are maintaining our position in the *Preliminary Results* of not including exchange rate differences in the respondents' sales figures.

Comment 3: The respondents argue for the first time in their case brief that the Investment Allowance program should be deemed non-countervailable under section 771(5B)(C) of the Act, because the benefits are permissible ''green light'' subsidies provided only to companies located in disadvantaged regions. According to the respondents, the Investment Allowance program, to the extent that it provided greater benefits to disadvantaged regions than to developed regions, was specifically designed to promote development in disadvantaged regions. As a result, the Department should consider it a permissible ''green light'' benefit and find it not countervailable in the final results of this review.

Department's Position: A green light claim submitted for the first time in a case brief cannot be considered by the Department at this late stage in the proceeding. *See* 19 CFR 355.31. The respondents had ample opportunity to submit a green light claim and to provide supporting documentation regarding the Investment Allowance program within the time requirements of 19 CFR 355.31 for submitting factual information. This would have provided the Department with time to request and verify data, and provide the petitioner with an adequate opportunity to comment on the green light claim. Indeed, the GRT claimed green light status for the Resource Utilization Support Premium program (RUSP) in its November 25, 1996, supplemental questionnaire response. Subsequently, the Department issued three additional supplemental questionnaires regarding this green light claim in order to collect the information necessary for our analysis. We then examined this information with respect to RUSP during our verification in February 1997. However, the Department does not have the necessary information regarding the Investment Allowance program, such as a breakdown of Investment Allowance benefits by industry and region, to conduct an analysis of the green light claim for this program. As a result, we have not considered the claim of green light status for the Investment Allowance program in this proceeding.

Comment 4: The respondents disagree with the Department's decision in the Preliminary Results that the Resource Utilization Support Premium program (RUSP) does not meet the green light criteria set forth in Section 771(5B)(C) of the Act. They claim that the RUSP was specifically designed to promote the development of disadvantaged regions. Section 771(5B)(C) of the Act provides that, if certain conditions are met, the Department shall treat a subsidy to disadvantaged regions as non-countervailable if the subsidy is provided ''pursuant to a general framework of regional development, to a person located in a disadvantaged region and if it is not specific within eligible regions * * *'' In addition, the statute enumerates four conditions for making such a determination: (1) The disadvantaged region must be a clearly designated contiguous geographical area with a defined economic and administrative identity; (2) the designation of the region must be based on neutral and objective criteria indicating that the region is disadvantaged because of more than temporary circumstances; (3) the criteria must include a measure of economic development; and (4) the subsidy program to disadvantaged regions must include ceilings on the amount of benefits provided.

The respondents argue that the GRT's regional development plan met the first, third and fourth criteria, and that the Department wrongly rejected the GRT's ''green light'' claim based on the third criterion. Regarding the second criterion, the respondents argue that the GRT's regional development program was based on neutral and objective criteria as defined by the statute. Turkey's regional designations were based on various neutral and objective economic data that was analyzed using a statistical model of development known as Principal Component Analysis (PCA). The respondents claim that the Department seems to have accepted that the designations based on the PCA are neutral and objective, but that the few changes made by the Council of Ministers tainted the GRT's overall regional development plan. The respondents argue that the Council uses its judgment to modify a regional designation made by the PCA only in those cases that are necessary to eliminate certain regional disparities. The respondents conclude that the fact that the Council of Ministers may have some input into the regional designation process does not negate the neutral and objective criteria that are used to establish regional designations, but, according to the respondents, only reinforces their conclusion that the designations modified by the Council of Ministers are still based on neutral and objective criteria.

The petitioner replies that the Department correctly found that the respondents did not establish that the regional designations made by the GRT were based on neutral and objective criteria. The petitioner points out that the supporting documentation for the PCA during the period reviewed for green light status, 1989–1991, was no longer available. Thus, the validity of the green light claim was not subject to verification. Also, the petitioner states that the designation of provinces into development regions did not track closely the PCA rankings. Rather, the changes in rankings resulted from decisions made by the Council, which were based on factors not enumerated in the PCA. As a result, because the neutral and objective criterion has not been met, a green light finding is not appropriate.

Department's Position: We disagree with the respondents. The statute requires the Department to make a finding that all four specifically enumerated conditions of section 771(5B)(C)(i) have been met before a green light finding is made. Moreover, the SAA states that the green light provision governing assistance for disadvantaged regions must be strictly construed, and that the Department must determine that all of these statutory criteria have been satisfied. (See Statement of Administrative Action accompanying the URAA, reprinted in H.R. Doc. No. 316, 103d Cong., 2d Sess. 934 (1994)) (SAA). In the *Preliminary Results,* the Department did not state or imply that the GRT's regional development plan met all green light criteria except for the criterion requiring regions to be designated based on ''neutral and objective'' criteria. Rather, the Department indicated that because regions were not designated based solely on neutral and objective criteria, the Department did not need to reach the three other listed criteria to determine whether GRT's regional development plan was a green light subsidy. The Department stated that ''[s]ince the SAA states that all of the green light criteria must be met, we do not intend to analyze the GRT's compliance with the remaining criteria [beyond that concerning ''neutral and objective''].'' See *Preliminary Results* at 16787.

In any case, we cannot conclude that the GRT's regional development plan, ''strictly construed,'' is based on neutral and objective criteria. First, the supporting documentation for the PCA covering the 1989–1991 period, the relevant period of our inquiry, was not available for verification. Second, as we stated in the *Preliminary Results,* the information on the record indicates that the designations of disadvantaged regions do not correspond to the purportedly neutral and objective criteria of the PCA. The provinces were rank ordered from first, most developed, to 67th, least developed. The record clearly shows that the designation of provinces into development regions did not track closely to the PCA rankings. For example, some provinces which received PCA rankings of 52 and 58 (out of a possible 67) were listed as normal development regions, while other provinces with higher PCA rankings were designated priority development regions. The GRT accounted for these discrepancies by explaining that the PCA is not the only basis for determining a province's regional designation. The PCA is only one step (albeit a primary one) toward determining the regional designations. The final determination is made by the Council of Ministers, taking into account factors that cannot be accounted for by the PCA, including the promotion of other development policies and goals, the impacts upon, and relationships with, other regional and non-regional development policies and programs, and the Ministers experience in development issues and programs. (For a further discussion, *see* the *Preliminary Results* at page 16787 and the GRT verification report at page 11).

The statute requires the neutral and objective criteria to be clearly stated in a relevant statute, regulation, or other official document so as to be capable of verification. As we learned at verification, the final regional development plan designations purportedly arrived at using the econometric model of the PCA, were subject to change by the Council of Ministers. However, the GRT provided no evidence regarding (1) the specific criteria used by the Ministers; (2) whether the criteria are neutral and objective; and (3) whether these criteria were clearly stated in the statute, regulation, or another official document. In addition, the documentation regarding additional factors that the Council considered when making these decisions was not available for verification (GRT verification report at page 12). Therefore, we determine that the RUSP assistance is not entitled to green light treatment.

Comment 5: The respondents argue that because the vast majority of provincial designations were not changed from the designations suggested by the PCA, the Department must find that RUSP subsidies are non-countervailable. Erbosan is located in the Kayseri province which, the respondents argue, clearly falls within the ''normal'' region grouping in the PCA. The respondents also argue that the Council of Ministers played no role in Kayseri's designation, and that Kayseri meets all the tests established in the statute for classification as ''disadvantaged,'' including the economic tests of per capita income and unemployment outlined in Section 771(5B)(C)(ii) of the Act.

According to the respondents, because Kayseri's regional designation was based on the ''objective and neutral'' criteria of the PCA, any designations made to provinces outside of the region in question is irrelevant to the Department's inquiry. The Department must therefore look only at the region where the recipient of the benefit is located. The respondents state that if the Department continues to follow its practice of analyzing every single regional designation made under a country's regional development plan, the Department would never find that the statutory requirements are met.

The petitioner replies that the statute does not contemplate looking beyond an entire designation process in order to make an independent determination of whether an individual region could have been properly designated. According to the petitioner, the disqualification of the overall designation process for green light purposes renders every individual provincial designation unqualified for green light treatment. As a result, the Department should maintain its position of denying green light treatment to the RUSP program.

Department's Position: We disagree with the respondents. In order to conclude that a subsidy to a disadvantaged region is entitled to green light status and thus not countervailable, the subsidy must be provided pursuant to a general framework of regional development. Section 771(5B)(C)(iii) defines the term ''general framework of regional development'' to mean that regional subsidy programs are part of an internally consistent and generally applicable regional development policy, and that regional development subsidies are not granted in isolated geographical points having no, or virtually no, influence on the development of a region. Moreover, the statute directs the Department to apply the four main criteria, listed in Comment 4 above, to ''each region'' in the country when conducting a green light examination. *See* section 771(5B)(C)(i). Additionally, the SAA states that ''to be non-countervailable, the government assistance must be directed both by law and in practice toward the development of the region as a whole.'' SAA at 934. Accordingly, the Department evaluated the GRT's green light claim for the RUSP program in light of the statute, as is appropriate when making a determination on the countervailability of a nationally available subsidy program. As a result, as fully explained in the *Preliminary Results,* our green light analysis was conducted in compliance with the statute, which precludes us conducting a separate green light analysis solely with respect to the Kayseri province.

Comment 6: The respondents argue that the Department failed to request the f.o.b. sales information, except for the sales to the United States, and, in order to compensate for this shortcoming, the Department incorrectly increased the subsidy for each program by multiplying the benefit by the ratio of the company's U.S. c&f and U.S. f.o.b. sales of the subject merchandise. The respondents argue that this methodology is inaccurate for two reasons: (1) The freight component of a particular sale will vary, sometimes significantly, depending on the destination, and (2) it overstates the benefit when the denominator is total sales, because domestic sales are made on an f.o.b. basis. Thus, they argue that using the ratio of U.S. c&f and U.S. f.o.b. sales to determine the f.o.b. value for total export sales inaccurately overstates the actual benefit.

The respondents also argue that they should not be penalized for the Department's failure to request information. They argue that, because they complied with the Department's requests for information, the Department should not use adverse information. The Department may use adverse information only when there has been noncompliance with a request for information. According to the respondents, the Court of International Trade has stated that when the Department neglects to request information that it later finds necessary to its determination, the appropriate remedy is to request supplemental information from the parties. However, the respondents argue that because of time constraints, the Department should simply use the total sales and total export sales provided in the questionnaire responses that were verified by the Department, without making any adjustments to compensate for freight.

The petitioner counters that the Department should not change its methodology for approximating f.o.b. sales values. The petitioner contends that since the respondents state that they were able to provide the f.o.b. values they should have proffered them earlier. The petitioner also counters that because the respondents did not provide the f.o.b. values, which surely their experienced trade counsel knew were necessary to the Department calculations, the Department should not reward the respondents for withholding information by changing its calculation methodology.

Department's Position: We disagree with the respondents. It has been the Department's practice to request companies to provide sales information as actually recorded in their accounting records along with an explanation as to whether the sales were recorded on c.i.f., f.o.b. or some other basis. *See* Questionnaire dated April 15, 1996. In cases where the company's sales are not recorded on an f.o.b. basis, the Department adjusts the sales value to conform with the Department's longstanding practice to calculate an f.o.b.-based *ad valorem* subsidy rate, which is consistent with the assessment of the countervailing duties. (The Department instructs the Customs Service to collect cash deposits and assess countervailing duties on an f.o.b. invoice price basis.) *See,* Denominator Section of the General Issues Appendix in *Final Affirmative Countervailing Duty Determination: Certain Steel Products from Austria,* 58 FR 37217, 37236 (July 9, 1993) (*General Issues Appendix*).

We also disagree with the respondents that the Department is making an adverse inference by adjusting the c&f values to compensate for freight. Erbosan's questionnaire response states that export invoices are recorded on actual invoice value converted to TL whether it is an f.o.b. or c&f sale, and that domestic sales are recorded on gross value. (*See* questionnaire response dated June 13, 1996 at page 4). Mannesmann's questionnaire response did not state the basis for the sales information, except for the export sales of the subject merchandise to the United States, which were provided on a c&f and f.o.b. basis. (*See* questionnaire response dated June 13, 1996 at appendix 10). Because one respondent recorded and reported its sales on a combined f.o.b. and c&f basis and the other respondent recorded on a c&f basis, it is necessary to adjust the calculated subsidy rate, according to the methodology outlined in the *General Issues Appendix,* to ensure that the Customs Service collects the correct amount of subsidy based on the f.o.b. invoice price of the imported merchandise. The adjustment made by the Department is not adverse. It merely converts the respondents' information to a basis that allows the Department to correctly calculate an f.o.b. based *ad valorem* subsidy rate. Therefore, based on the information in the record, the Department has calculated a reasonable estimate of the f.o.b. value.

Comment 7: The respondents argue that the Department erroneously determined that exporters did not know the amount of benefits under the Freight Program on the date of export, and therefore incorrectly countervailed the benefits on the date the cash was received or, in the case of bonds, on the date of maturity. The respondents state that it is the Department's long-standing practice to measure countervailable benefits on the date of export in those cases in which the export benefit is earned on a shipment-by-shipment basis, and the exporter knows the amount of the benefit at the time of export. Therefore, they argue that because Turkish companies knew at the time of export that they were entitled to receive a rebate in the amount of $50 per ton for merchandise exported on Turkish vessels, and $30 per ton for merchandise exported on non-Turkish vessels on a shipment-by-shipment basis upon exportation, they knew the benefit at the time of export, and such benefits should be measured on an ''earned'' basis.

The respondents further argue that, because the shipments are invoiced in U.S. dollars and the benefit is expressed in U.S. dollars on the date of shipment, it is irrelevant that companies did not know the precise amount of TL that they would eventually receive. If the benefit had been denominated in TL, the value of the ultimate benefit received, as measured in constant TL, would not have been known at the time of export due to the high inflation in Turkey at the time. However, by contrast, U.S. dollars hold their value over time because the rates of TL inflation and TL devaluation against the dollar are about the same. Therefore, they argue that the long-term value of a benefit denominated in dollars was certain at the time of export.

The respondents also argue that policy considerations dictate that the benefits under the Freight Program should be countervailable on the date the benefit was earned. They state that the countervailing duty law is intended to offset export subsidies, and that the benefit should be countervailed when they will have the greatest effect on a country's exports to the United States, which they claim is why the Department established its ''earned versus receipt'' test. Therefore, the respondents argue that since the Freight Program terminated at the end of 1994, and there is no longer any incentive to motivate companies to export under this program, as a matter of policy, the Department should countervail benefits received during the period that the subsidies were actually used to encourage shipments to the United States.

The petitioner counters that, even if the respondents' argument that U.S. dollars hold their value better than TL given the hyperinflation in Turkey is valid, it does not lead to the conclusion that ''the long-term value of a benefit denominated in dollars was certain at the time of export.'' Further, although the value may be ''far more certain'' when denominated in dollars, it is not true that the respondents knew the precise value of the benefit at the time of export.

The petitioner also counters that while the freight payments may be denominated in dollars, the benefit was paid in TL, and given the high inflation rate in Turkey there was no way for the exporter to predict at the time of export what the TL payment amount would be. Finally, the petitioner counters that the respondents argument that the benefit conferred should not be countervailed because the program has been terminated would inappropriately permit countervailable benefits to be ignored and should be rejected.

Department's Position: We agree with the respondents that it has been the Department's practice to countervail an export subsidy on the date of export on an ''earned basis'' rather than the date it is received where it is provided as a percentage of the value of the exported merchandise on a shipment-by-shipment basis, and the exact amount of the countervailable export subsidy is known at the time of export. *See e.g., Certain Iron-Metal Castings from India; Final Results of Countervailing Duty*

Administrative Review, 60 FR 44843 (August 29, 1995). For example, in these *Final Results,* we have found the benefits under the Export Performance Credits Program were bestowed on the date of export because the exporters received the TL equivalent of a fixed percentage of the value of their U.S. dollar exports. Although at the time of receipt, the exporters received more TL than at the time of export, the value of the TL amount remained the same in U.S. dollar terms.

In the *Preliminary Results,* we stated that although the benefit under the Freight Program is calculated based on tonnage and not on the percentage of exports, we noted that a benefit determined by the amount of the tonnage may also be known and therefore ''earned'' at the time of export. However, even though the benefit was based on tonnage per shipment, it does not automatically follow that respondents knew the amount of the export subsidy at the time of shipment. In this case the facts indicate that respondents could not have known at the time of shipment the actual amount of TL that they would ultimately receive because the GRT arbitrarily chose an exchange rate based on a later date in time. Here, when the respondents ultimately received payment under this program, whether or not they would receive the U.S. dollar equivalent of TL was dependent upon the exchange rate chosen by the GRT, and was not determined by the amount of tonnage per shipment. (*See* GRT's verification report at page 17). Therefore, we cannot conclude that countervailable benefits bestowed on respondents under the Freight Program were ''earned'' on the date of export.

We also disagree with respondents' argument that the long-term value of a benefit denominated in dollars was certain at the time of export because the U.S. dollar holds its value over time since the rate of TL inflation and the TL devaluation against the dollar are about the same. Again, because the GRT arbitrarily chose the exchange rate to convert the benefit to TL, there was no way of knowing at the time of export, whether, at the time respondents received the TL equivalent, it would equal $50/$30 per ton. Therefore, as stated in the *Preliminary Results,* we have determined that the benefits under the Freight Program are bestowed when the cash is received, with respect to the cash payments, and not at the time of export. With regard to the portion of the rebate provided in bonds, we have determined that the benefits from the bonds are bestowed on the date of maturity. This is due to the fact that, even though there were no restrictions on the sale or transfer of the bonds, because of the rate of inflation, there was no secondary market to allow exporters to convert their bonds to cash prior to maturity. *See, e.g., Turkish Pasta* at 30368.

Finally, we disagree with the respondents' argument that the Department should countervail the benefit from this program on an earned basis because it makes no sense for the Department to countervail a benefit once a program has been terminated and therefore are no more subsidies to provide an incentive for companies to export. It is the Department's long-standing practice to countervail residual benefits from a terminated program. *See, e.g., Live Swine from Canada; Notice of Preliminary Results of Countervailing Duty Administrative Reviews; Initiation and Preliminary Results of Changed Circumstances Review and Intent to Revoke Order in Part,* 61 FR 26879, 26889 (May 29, 1996) and *Live Swine from Canada; Final Results of Countervailing Duty Administrative Reviews,* 61 FR 52408 (October 7, 1996). (*Live Swine from Canada*).

Comment 8: Erbosan argues that the Department's use of the average monthly exchange rates published by the Central Bank, rather than the actual exchange rates recorded in Erbosan's documentation of foreign exchange loans to calculate the benefit distorts the subsidy because the TL was devaluing rapidly against the U.S. dollar. Erbosan argues that the Department should use the actual daily exchange rate recorded in its loan documents reviewed by the Department at verification because these rates were used to convert the TL amount into U.S. dollars on the date the interest was repaid on the company's foreign currency loans and more accurately reflects the effect of hyperinflation on TL.

The petitioner counters that the loan fees were established when the loan was granted and not when the interest on the loan was paid. Therefore, the benefit from the exemption of the fees should be calculated from the date the fees would have otherwise applied, i.e., the date the loan was granted. The petitioner further counters that the Department's use of the monthly exchange rates understates rather than overstates the benefit provided.

Department's Position: We agree with the respondents that the actual exchange rates on the foreign exchange loan documentation are the appropriate rates to use in converting the benefit to U.S. dollars. The actual exchange rates represent the conversion rates that would have been applicable to the exempt fees had they been paid. Therefore, for these final results we have recalculated the benefit from the exemption of the foreign currency loan fees using the actual exchange rates on Erbosan's loan documentation in exhibit E–13. On this basis, we determine the countervailable subsidy to be 1.10 percent *ad valorem* for Erbosan for pipe and tube.

Comment 9: The respondents argue that in order for the Department and the GRT to avoid spending valuable resources reviewing terminated or non-existent programs in future countervailing duty investigations or reviews, the Department should announce in its final results that the following programs have either been terminated or do not exist: (1) State Aid for Exports, (2) Resource Utilization Support Fund (RUSF), (3) Advance Refunds of Tax Savings, (4) Support and Price Stability Fund, and (5) Land Allocation (General Incentives Program).

The respondents state that the State Aid for Exports program, which was established in 1995 to provide certain benefits to producers of certain agriculture products, was terminated on December 31, 1995, as noted in the Department's verification report. Therefore, they argue that since this program was limited to the agriculture sector, and no other sector could receive any residual benefits from this terminated program, the Department should find that this program has been terminated for companies not in the agricultural sector.

The respondents also state that the RUSF is a fund that was established by the GRT to pay for certain government-sponsored programs and not a program in itself. However, they argue that because of problems arising from translation of Turkish to English there has been a great deal of confusion in this and previous reviews concerning the RUSF. The respondents further state that, as noted in the government's verification report at page 20, the RUSF program found countervailable in *Turkish Pasta* at 30369 was the same as the Incentive Premium on Domestically Obtained Goods Program. They argue that because the GRT has demonstrated that the RUSF program terminated effective January 1, 1987, the Department should list the ''RUSF program'' as terminated.

The respondents further argue that the Department should state in the final results that the Advance Refund of Tax Savings program does not exist because there has never been such a program. They state that the reference to a program known as the Advance Refund of Tax Savings in *Turkish Pasta* is apparently a misinterpretation or mistranslation of certain provisions contained in Turkey's budget laws. They also state that Article 44 of the 1987 Budget Law is the legal authority that permits the GRT to obtain reimbursement from individuals or companies that have received an overpayment of public funds, for example, tax refunds.

The respondents argue that because the Support and Price Stability Fund is a government fund used to finance programs such as freight rebate and export credit programs that may provide benefits to companies and is not a separate program in and of itself, the Department should announce in the final results that the program does not exist. They argue that such a statement will clarify this issue and eliminate any confusion on this subject in future investigations or reviews involving Turkish cases.

Finally, the respondents argue that the Land Allocation program was never implemented, therefore, as they informed Department verifiers, no company in Turkey has been or could ever be eligible to receive any benefits under this program. Therefore, they argue that the Department should find this program to be terminated in its final results.

The petitioner counters that any findings that a program has been terminated or does not exist is limited to the review at hand, because in future reviews the Department should investigate whether a terminated program has been reinstated or a program found not to exist has been created. Further, the petitioner counters that merely because a finding is made in this review does not exempt the programs involved from inquiry in the future.

Department's Position: The Department's practice is to continue to countervail programs previously found countervailable, and to examine programs for which we have not made a final determination regarding whether the program is non-countervailable or whether terminated programs have residual benefits. *See e.g., Live Swine from Canada* at 52420 citing to *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews*, 61 FR 28841 (June 6, 1996).

Regarding the State Aid for Exports program, at verification we examined a Communique that listed eligible products, and we did not find any steel products listed. Therefore, none of the steel companies under review could have received any benefits from this program. However, it is uncertain whether the eligible products are subject to change. Therefore, we are unable to conclude that steel products will never be covered under this program.

In *Turkish Pasta* at 30369, the Department found a countervailable benefit for RUSF and for the Incentive Premium on Domestically Obtained Goods programs. Therefore, although at the verification of these reviews, the government official said that based on the description of the RUSF program in *Turkish Pasta*, the so-called ''RUSF program'' is really a misnomer for the Incentive Premium on Domestically Obtained Goods, we were unable to substantiate that claim. However, in the instant proceeding, we found that none of the companies subject to review received benefits under either RUSF or Incentive Premium on Domestically Obtained Goods programs during the period.

Regarding the Advance Refunds of Tax Savings, as noted in the GRT's verification report at page 20, the government official said that Article 44 of the 1987 Budget Law pertains to general reimbursement to the GRT of public money. However, the Department's interpreter examined Article 44, and said that the Article did not appear to have any connection to tax savings, but was somewhat vague. (*See* GRT verification report at page 20). In addition, the GRT officials were unable to fully explain why they thought the Department was incorrect in finding this to be a program in *Turkish Pasta*. Further, we verified that none of the companies under review applied for, or used the Advance Refunds of Tax Savings during the period of review.

The Department did not include the Support and Price Stability Fund as a program in the *Preliminary Results*. We verified that this is a fund that is used to finance programs, and not a program in itself (GRT verification report at page 19). Because we have not included it in these final results, there is no need to list it as a terminated or non-existent program.

We agree with the respondents that, at verification, the officials said that the Land Allocation program was never implemented. However, we listed this program as not used because it was not terminated, and it is uncertain whether the program might be implemented and used in the future.

Final Results of Review

In accordance with 19 C.F.R. § 355.22(c)(4)(ii), we calculated an individual subsidy rate for each producer/exporter subject to these administrative reviews. For the period January 1, 1995 through December 31, 1995, we determine the net subsidy to be as follows:

Manufacturer/exporter of pipe and tube	Net subsidy rate
Erbosan	4.02%

Manufacturer/exporter of line pipe and tube	Net subsidy rate
Mannesmann	0.75%

We will instruct the U.S. Customs Service (''Customs'') to assess countervailing duties as indicated above. The Department will also instruct Customs to collect cash deposits of estimated countervailing duties in the percentages detailed below of the f.o.b. invoice price on all shipments of each class or kind of merchandise from reviewed companies, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of these reviews.

Manufacturer/exporter of pipe and tube	Cash deposit rate
Erbosan	3.97%

Manufacturer/exporter of line pipe	Cash deposit rate
Mannesmann	0.75%

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in § 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. *See* 19 CFR § 355.22(a). Pursuant to 19 CFR § 355.22(g), for all companies for which a review was not requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. *See Federal-Mogul Corporation and The Torrington Company* v. *United States*, 822 F.Supp. 782 (CIT 1993) and *Floral Trade Council* v. *United States*, 822 F.Supp. 766 (CIT

1993) (interpreting 19 CFR § 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR § 355.22(g)). Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of this review.

We will instruct Customs to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by this order are those established in the most recently completed administrative proceeding, conducted pursuant to the statutory provisions that were in effect prior to the URAA amendments. *See, Certain Welded Carbon Steel Pipe and Tube Products from Turkey; Final Results of Countervailing Duty Administrative Review, 53 FR 9791*. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1995 through December 31, 1995, the assessment rates applicable to all non-reviewed companies covered by this order are the cash deposit rates in effect at the time of entry.

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 CFR § 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)).

Dated: August 6, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 97–21828 Filed 8–15–97; 8:45 am]

BILLING CODE 3510–DS–P

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Consolidation and Amendment of Export Visa Requirements to Include the Electronic Visa Information System for Certain Cotton, Wool, Man-Made Fiber, Silk Blend and Other Vegetable Fiber Textiles and Textile Products Produced or Manufactured in the Philippines

August 12, 1997.

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Issuing a directive to the Commissioner of Customs consolidating and amending visa requirements.

EFFECTIVE DATE: September 1, 1997.

FOR FURTHER INFORMATION CONTACT: Lori Mennitt, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482–3400.

SUPPLEMENTARY INFORMATION:

Authority: Executive Order 11651 of March 3, 1972, as amended; section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854).

In exchange of notes dated December 18, 1996, July 9, 1997, and July 23, 1997, the Governments of the United States and the Philippines agreed to amend the existing visa arrangement for cotton, wool, man-made fiber, silk blend and other vegetable fiber textiles and textile products, produced or manufactured in the Philippines and exported on and after September 1, 1997. The amended arrangement consolidates existing provisions and new provisions for the Electronic Visa Information System (ELVIS). In addition to the ELVIS requirements, shipments will continue to be accompanied by an original visa stamped on the front of the original commercial invoice issued by the Government of the Philippines.

In the letter published below, the Chairman of CITA directs the Commissioner of Customs to amend the existing visa requirements for textile products, produced or manufactured in the Philippines and exported on and after September 1, 1997.

A description of the textile and apparel categories in terms of HTS numbers is available in the CORRELATION: Textile and Apparel Categories with the Harmonized Tariff Schedule of the United States (see **Federal Register** notice 62 FR 66263, published on December 17, 1996). Also see 52 FR 11308, published on April 8, 1987.

Interested persons are advised to take all necessary steps to ensure that textile products entered into the United States for consumption, or withdrawn from warehouse for consumption, will meet the visa requirements set forth in the letter published below to the Commissioner of Customs.

Troy H. Cribb,

Chairman, Committee for the Implementation of Textile Agreements.

Committee for the Implementation of Textile Agreements

August 12, 1997.

Commissioner of Customs,

Department of the Treasury, Washington, DC 20229.

Dear Commissioner: This directive amends, but does not cancel, the directive issued to you on April 3, 1987, as amended, by the Chairman, Committee for the Implementation of Textile Agreements, that directed you to prohibit entry of certain cotton, wool, man-made fiber, silk blend and other vegetable fiber textiles and textile products, produced or manufactured in the Philippines for which the Government of the Philippines has not issued an appropriate export visa or exempt certificate.

Under the terms of section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); pursuant to a the Export Visa Arrangement, effected by exchange of notes dated December 18, 1996, July 9, 1997, and July 23, 1997, between the Governments of the United States and the Philippines; and in accordance with the provisions of Executive Order 11651 of March 3, 1972, as amended, you are directed to prohibit, effective on September 1, 1997, entry into the Customs territory of the United States (i.e., the 50 states, the District of Columbia and the Commonwealth of Puerto Rico) for consumption and withdrawal from warehouse for consumption of cotton, wool, man-made fiber, silk blend and other vegetable fiber textiles and textile products in Categories 300–369, 400–469, 600–670 and 831–859, including part categories and merged categories (but not Categories 355, 356, 655, 656, 455, 371 and 671), and which are not eligible for exemptions noted in the Exempt Certification Requirements below (also provided for in Annex A attached), produced or manufactured in the Philippines and exported on and after September 1, 1997 for which the Government of the Philippines has not issued an appropriate export visa and Electronic Visa Information System (ELVIS) transmission fully described below. Shipments covering merchandise in Categories 800–810 and 863–899 do not require a visa. However, should additional categories, merged categories or part categories be added to or changed in the Bilateral Agreement or become subject to import quotas, the entire category or categories shall be automatically included in the coverage of the Visa Arrangement. Merchandise exported on or after the date the category is added to or changed in the Agreement, or becomes subject to import quotas, shall require a visa and ELVIS transmission.