

additional companies are related to one of the respondents in this review and have, therefore, continued to collapse these companies and assign a single rate to the entire entity.

EFFECTIVE DATE: February 16, 1995.

FOR FURTHER INFORMATION CONTACT: Arthur N. DuBois or Thomas F. Futtner, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue N.W., Washington, D.C. 20230, telephone: (202) 482-6312/3814.

SUPPLEMENTARY INFORMATION:

Background

On August 10, 1994, the Department published in the **Federal Register** the preliminary results of an administrative review (59 FR 40866) of the antidumping duty order on iron construction castings from Canada (51 FR 17220). The Department has now completed this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act). The Department completed its administrative review of the order on Canadian castings for the next annual period, March 1, 1992, through February 28, 1993, on May 17, 1994.

Scope of the Review

Imports covered by the review are shipments of certain iron construction castings, limited to manhole covers, rings and frames, catch basin grates and frames, cleanout covers and frames used for drainage or access purposes for public utility, water, and sanitary systems, classifiable as heavy castings under Harmonized Tariff Schedule (HTS) item numbers 7325.10.0010 and 7325.10.0050 and to valve, service, and meter boxes which are placed below ground to encase water, gas, and other valves, or water or gas meters, classifiable as light casting under HTS item numbers 8306.29.0000 and 8310.00.0000. The HTS item numbers are provided for convenience and for Customs purposes only. The written description remains dispositive.

This review covers sales of certain Canadian iron construction castings by Fonderie LaPerle (LaPerle), Penticton Foundry, Ltd. (Penticton), Titan Foundry, Ltd. (Titan), and Associated Foundry (Associated), during the period March 1, 1991 through February 29, 1992.

Related Parties

In addition, based on our analysis, we have found that 14 other companies, for which we did not initiate an administrative review, were related to

LaPerle during the period of review. (For more information, see the analysis memorandum for the preliminary results.) We have determined, based on the best information available (BIA), that these related companies should be collapsed with LaPerle and receive a single assessment rate for this review period.

On May 17, 1994, we issued final results of review for the period 1992/1993. Since we assigned cash deposit rates to 12 of the 14 related companies in that review, these final results affect only the two remaining companies.

Analysis of Comments Received

We gave interested parties an opportunity to comment on the preliminary results as provided for in section 353.38 of the Department's regulations. We received comments from LaPerle and rebuttal comments from the Municipal Castings Fair Trade Council, including its individually named members (petitioner).

Comment 1: LaPerle commented that the Department should not have resorted to BIA since LaPerle cooperated fully with the Department and responded to all requests for information. It argues that it responded fully to all seven requests for information from the Department.

LaPerle states that, despite the Department's decision to collapse LaPerle and all parties to which it is either directly or indirectly related, LaPerle is an autonomous operation. LaPerle argues that the other companies also operate autonomously, especially, according to LaPerle, considering that two of these companies are located at too great a distance to be involved with LaPerle's operations. LaPerle asserts that the remaining companies either did not produce or did not sell such or similar merchandise or did not export to the United States.

LaPerle further contends that this situation is like that in Gray Portland Cement and Clinker from Japan (58 FR 48826, 1993), where the Department stated: "The use of BIA was not warranted in a situation where, as here, there are sufficient home market sales of comparable merchandise to unrelated customers to calculate an FMV for every month of the review period."

In its rebuttal comments the petitioner asserts that the fundamental error in LaPerle's arguments is its assertion that the submission of questionnaire responses for itself alone constitutes cooperation. By ignoring the Department's request for a consolidated response for itself and its related entities, petitioner agrees with the

Department's determination that LaPerle has been uncooperative.

Department's Position: In conducting this review, we received responses from only one company, which was LaPerle. Based on our analysis of this response, we determined in the preliminary results that LaPerle was not independent, but was, in fact, one of many components in a single business entity. In doing so, we determined that LaPerle and its related entities were sufficiently related to permit the possibility of price manipulation. As we stated in Cellular Mobile Telephones and Subassemblies from Japan (54 FR 48011, 1989), our determination to collapse related parties into a single respondent entity is not "based solely on the extent of their financial relationship."

The other factors we relied upon in collapsing related companies are as follows: (1) The level of common ownership; (2) interlocking officers or directors (e.g., whether managerial employees or board members of one company sit on the board(s) of directors of the other related part(ies)); (3) the existence of production facilities for similar or identical products that would not require retooling either plant's facilities to implement a decision to restructure either company's manufacturing priorities; and (4) whether the operations of the companies are intertwined (e.g., pricing decisions, sharing of facilities or employees; transactions between the companies). See, e.g., Certain Granite Products from Spain, 53 FR 24335 (1988); Certain Granite Products from Italy, 53 FR 27187 (1988); Steel Wheels from Brazil, 54 FR 8780 (1989); Final Determinations of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products, and Certain Cut-to-Length Carbon Steel Plate from Canada, 58 FR 37099 (1993). The Department's use of these factors was upheld by the Court of International Trade (CIT) in *Nihon Cement Co., Ltd., et al. v. United States and The Ad Hoc Committee of Southern California Producers of Gray Portland Cement, et al.*, Slip Op. 93-80 (CIT 1993). Based on an analysis of all four criteria, the Department has determined that the facts warrant collapsing the related entities. For further discussion of the Department's application of these factors in this review, see the analysis memorandum for the preliminary results.

In conducting our analysis of the related-party issue in this review, we issued six supplemental questionnaires