

publication of the final results of the next administrative review.

#### Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: April 2, 2001.

**Bernard T. Carreau,**

*Deputy Assistant Secretary, Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-535-001]

#### Cotton Shop Towels From Pakistan: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review

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

**ACTION:** Notice of Preliminary Results of Countervailing Duty Administrative Review.

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain cotton shop towels from Pakistan for the period January 1, 1999, through December 31, 1999. For information on the net subsidy for the reviewed companies, please see the "Preliminary Results of Review" section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service (Customs) to assess countervailing duties as detailed in the "Preliminary Results of Review" section of this notice. Interested parties are invited to comment on these preliminary results. (See the "Public Comment" section of this notice). In

accordance with 19 CFR 351.213(d)(1), the Department is also rescinding this review with regard to Aqil Textile Industries (Aqil).

**EFFECTIVE DATE:** April 9, 2001.

#### FOR FURTHER INFORMATION CONTACT:

Gayle Longest at (202) 482-3338 or Mark Young at (202) 482-6397, AD/CVD Enforcement Office VI, Group II, Import Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230

#### SUPPLEMENTARY INFORMATION:

##### Background

On March 9, 1984, the Department published in the **Federal Register** (49 FR 8974) the countervailing duty order on certain cotton shop towels from Pakistan. On March 16, 2000, the Department published a notice of "Opportunity to Request an Administrative Review" (65 FR 14242) of this countervailing duty order. We received a timely request for review from Mehtabi Towel Mills Ltd. (Mehtabi), Shahi Textiles (Shahi), Silver Textile Factory (Silver), Universal Linen (Universal), United Towel Exporters (United), R.I. Weaving (R.I.), Fine Fabrico (Fabrico), Ejaz Linen (Ejaz), Quality Linen Supply Corp. (Quality), Jawwad Industries (Jawwad), Ahmed & Co. (Ahmed), and Aqil, the initial respondent companies in this proceeding. On May 1, 2000, the Department published a notice of initiation of administrative review of the countervailing duty on cotton shop towels from Pakistan, covering the period January 1, 1999 through December 31, 1999 (65 FR 25303).

On December 1, 2000, we extended the period for completion of the preliminary results pursuant to section 751(a)(3) of the Tariff Act of 1930, as amended (the Act). See *Certain Cotton Shop Towels From Pakistan: Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review* (65 FR 75242).

On February 28, 2001, we received a request to withdraw from the administrative review from Aqil. The applicable regulation, 19 CFR 351.213(d)(1), states that if a party that requested an administrative review withdraws the request within 90 days of the date of publication of the notice of initiation of the requested review, the Secretary will rescind the review. Although the request for recession was made after the 90 day deadline, in accordance with 19 CFR 351.213(d)(1), the Secretary may extend this time limit if the Secretary decides it is reasonable to do so. Due to the fact that Aqil was

the only party to make a request for its administrative review, we find it reasonable to accept the party's withdrawal of its request for review. Moreover, we have received no other comments by any other parties regarding Aqil's request for withdrawal from the administrative review. Therefore, we are rescinding this review of the countervailing duty order on cotton shop towels for Aqil covering the period January 1, 1999, through December 31, 1999.

In accordance with 19 CFR 351.213(b), this review covers only those producers or exporters for which a review was specifically requested. The companies subject to this review are the companies listed above, with the exception of Aqil. This review covers seven programs.

#### Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930 (the Act), as amended, are references to the provisions of effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR part 351 (2000).

#### Scope of Review

The merchandise subject to this review is cotton shop towels. The product covered in this review is provided for under item number 6307.10.20 of the *Harmonized Tariff Schedule of the United States* (HTSUS). The HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

#### Attribution of Subsidies

Section 351.525 of the CVD Regulations states that the Department will attribute subsidies received by two or more corporations to the products produced by those corporations where cross-ownership exists. According to section 351.525(b)(6)(vi) of the CVD Regulations, cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. In this review, we found that several of the respondent firms belonged to family-owned company-groups; (i.e., the same family owns companies A, B, and C). All of these family companies produce and export the subject merchandise. Moreover, in most cases these firms share the same physical facilities,

administrative services, and marketing services.

On the basis of the above facts, combined with the fact that these family-owned and controlled companies produce the subject merchandise, we preliminarily determine that loans under the export financing scheme and the sales tax rebates, programs previously found countervailable by the Department, are attributable to the total sales of exports to the United States of that group of family-related firms and to the total export sales of that group of family-owned firms, respectively. This conforms with section 351.525(b)(6)(ii) of the Department's CVD regulations, which explicitly states that if two (or more) corporations with cross-ownership produce the subject merchandise, the Secretary will attribute the subsidies received by either or both corporations to the products produced by both corporations.

We preliminarily determine that cross-ownership exists between the following family related companies: (1) Mehtabi/Quality/Fabrico/Ejaz; (2) United/R.I./Universal; and (3) Ahmed/Shahi. Therefore, we have calculated one rate for each of these family-owned corporate groups and have applied that rate to each of the member companies.

#### Use of Facts Available

The respondents have failed to adequately respond to the Department's initial and subsequent questionnaires, with respect to one of the investigated programs, the Income Tax Reduction Program. Sections 776(a)(2)(A) and 776(a)(2)(B) of the Act provide for the use of facts available when an interested party withholds information that has been requested by the Department, or when an interested party fails to provide the information requested in a timely manner and in the form required. As described in more detail below, the respondents have been unable to provide information explicitly requested by the Department; therefore, we must resort to the use of facts otherwise available.

The respondents did not provide the Department with adequate information to calculate a subsidy rate for the Income Tax Reduction Program. Under the Finance Act of 1992 and section 80CC of the Income Tax Ordinance, commercial banks withhold a tax of 0.5 percent on foreign exchange proceeds for all shop towel exports. The amount withheld became the company's final tax liability irrespective of the company's profitability. *See Cotton Shop Towels From Pakistan; Preliminary Results of Countervailing Duty Administrative Reviews*, 61 FR

50273 (September 25 1996) (*1996 Shop Towels*) and *Cotton Shop Towels From Pakistan; Final Results of Countervailing Duty Administrative Reviews*, 62 FR 24082 (May 2, 1997) (*1997 Shop Towels*).

Because the shop towel exporters pay this tax on all export transactions, the exporters are not required to file income tax returns because this export transaction tax is collected in lieu of the payment of income taxes. Under the Department's standard tax methodology, the benefit from the Income Tax Reduction Program would be the difference in the amount of income taxes the company would have paid absent this program. This amount would be the difference in income taxes the company would have paid under Pakistan's corporate tax law and the actual amount of taxes the company paid under the Income Tax Reduction Program. Because the shop towel exporters were not required to file income tax returns, the companies were unable to provide us with the amount of alternative taxes they would have paid under Pakistan's corporate tax law.

Therefore, we had to use facts available to determine the benefit provided to the respondents under this program. As facts available, we used the subsidy rate found for this program in the last administrative review conducted for this order which was *1997 Shop Towels*. The subsidy rate calculated for this program in *1997 Shop Towels* serves as a reasonable basis for facts available because the program has not changed and the income tax reduction rate for cotton shop towel exporters has remained constant since that last administrative review. Because the program remains the same and cotton shop towel exports still receive a 0.50 percent tax reduction rate on total export earnings, for these preliminary results, we have utilized the information regarding the benefits earned from these reductions from *1997 Shop Towels*.

#### Analysis of Programs

##### I. Programs Preliminarily Determined to Confer Subsidies

###### A. Export Finance Scheme

The Export Finance Scheme (EFS), which is administered by the State Bank of Pakistan, grants short-term loans at below-market interest rates to exporters. The EFS has two parts. Under Part I, exporters may obtain financing on irrevocable letters of credit or firm export orders. Under Part II, exporters may obtain financing in the form of a credit line based upon the value of the previous year's eligible exports. The

Department found this program countervailable in the investigation (*see Cotton Shop Towels from Pakistan: Final Affirmative Countervailing Duty Determination*, 49 FR 1408 (January 11, 1984)) and in all subsequent reviews. There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability.

During the current review period, cotton shop towel exporters made interest payments on loans obtained under the EFS. The interest rates ranged between 7 percent and 8 percent. Loan terms require payment within a maximum of 180 days. As our benchmark, we used the national average commercial rate for short-term credit which was reported by the Government of Pakistan (GOP). This rate was 13.5 percent in 1999. We used a national average interest rate because we could not calculate company-specific benchmark rates because none of the respondents received short-term loans from commercial sources during the POR.

To calculate the benefit, we took the difference between the actual interest paid and the interest that would have been paid at the rates charged on comparable commercial loans. *See 1997 Shop Towels*. We then divided the benefit derived from the EFS loans by the respective companies' export sales values. On this basis, we preliminarily determine the net subsidy from this program during the period of review to be the following:

Company	Ad valorem rate (percent)
Mehtabi .....	0.10
Quality .....	0.10
Fabrico .....	0.10
Ejaz .....	0.10
United .....	3.57
R.I. ....	3.57
Universal .....	3.57
Shahi .....	0.02
Ahmed .....	0.02
Silver .....	0.09
Jawwad .....	0.00

Jawwad did not use this program during the period of review.

###### B. Sales Tax and Customs Duty Rebate Programs

The Central Bureau of Revenue administers the rebate of sales taxes and customs duties on both domestic and imported inputs used in exported products. The sales tax rebate applicable to cotton shop towels during the review period ranged from 0.14 percent *ad valorem* to 7.23 percent *ad valorem*, and the customs duty rebate applicable to

cotton shop towels during the review period was 1.70 percent *ad valorem* for all producers/exporters. All rebates are calculated on the f.o.b. value of the total exports. In the investigation and subsequent reviews, we found these programs countervailable because the GOP failed to establish the requisite linkage and comparison between taxes paid and rebates provided. In this review, the GOP did not provide new information to establish the required linkage between the rebates given and the indirect tax incurred. Therefore, we preliminarily determine that the GOP pays these rebates without regard to specific taxes incurred in the production of shop towels and that the full amount of these rebates are countervailable because these rebates are contingent upon export performance. See *Preliminary Results of Countervailing Duty Administrative Review: Cotton Shop Towels from Pakistan*, 58 FR 32104 (June 8, 1993) and *Final Results of Countervailing Duty Administrative Review: Cotton Shop Towels from Pakistan*, 58 FR 48038 (September 14, 1993).

For the sales tax program and the customs duty rebate program, the cash rebates are earned on a sale-by-sale basis, and a firm can precisely calculate the amount of rebate it will receive for each export sale at the moment the sale is made. Because the amount of these rebates is known at the time of export, we calculate the benefit from this rebate program on an "as-earned" basis for all exporters. To calculate the benefit, for the sales tax rebate program, we divided the amount of sales tax rebated to each exporter/manufacturer by their total exports during the 1999 review period. On this basis, we preliminarily determine the benefit from the sales tax rebate to be the following:

Company	Ad valorem rate (percent)
Mehtabi .....	0.69
Quality .....	0.69
Fabrico .....	0.69
Ejaz .....	0.69
United .....	0.14
R.I. ....	0.14
Universal .....	0.14
Shahi .....	0.41
Ahmed .....	0.41
Jawwad .....	0.08
Silver .....	7.26

For the customs duty rebate program, we used the rate applicable to cotton shop towels as shown in *The Gazette of Pakistan* the official GOP publication of standard duty drawback notification (SRO-172(I)/99 dated March 1999). This

rate is based on an official survey of the imported inputs that are not physically incorporated into the exported product and is calculated on an f.o.b. basis. Imported inputs not physically incorporated include sizing chemicals used in the productions process to stiffen, straighten, and shrink the yarn. The benefit for the customs duty rebate during the 1999 review period for exporters of shop towels is the following:

Company	Ad valorem rate (percent)
All companies .....	1.70

#### C. Income Tax Reductions on Export Income

Section 80CC of the Income Tax Ordinance, 1979, as amended by Finance Act, 1999, requires the commercial banks to withhold the income tax at one source from all foreign exchange proceeds. The amount withheld becomes the company's final tax liability irrespective of whether the company is profitable. Eligible exporters continued to receive a tax reduction rate on export earnings. For shop towel exporters, the tax rate was 0.50 percent of total export earnings. This was found countervailable in *1996 Shop Towels* and *1997 Shop Towels*. There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability.

As explained above in the "Facts Available" section of this notice, the respondents did not provide sufficient information regarding the benefits earned from these claimed reductions. Therefore, we were unable to calculate a rate for the shop towels exporters' benefits received from this program, and we assigned, as facts available, a rate of 1.19 percent, the rate calculated in the last administrative review. See *1997 Shop Towels*. Therefore, we preliminarily determine the net subsidy from this program to be the following:

Company	Ad valorem rate (percent)
All companies .....	1.19

## II. Programs Preliminarily Determined To Be Not Used

- A. Rebate of Excise Duty
- B. Export Credit Insurance
- C. Import Duty Rebates

## Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to this administrative review. For the period January 1, 1999, through December 31, 1999, we preliminarily determine the net subsidy to be the following:

Company	Ad valorem rate (percent)
Mehtabi .....	3.68
Quality .....	3.68
Fabrico .....	3.68
Ejaz .....	3.68
United .....	6.60
R.I. ....	6.60
Universal .....	6.60
Shahi .....	3.32
Ahmed .....	3.32
Jawwad .....	2.97
Silver .....	10.24

If the final results of this review remain the same as these preliminary results, the Department intends to instruct Customs to assess countervailing duties at the rates listed above, as a percentage of the f.o.b. invoice price on shipments from the above companies entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

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 section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. See 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), 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 determined. 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). 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 under the URAA. If such a review has not been conducted, the rate established in the most recently completed administrative proceeding pursuant to the statutory provisions that were in effect prior to the URAA amendments is applicable. 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, 1999, through December 31, 1999, 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.

#### Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of the public announcement of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Unless otherwise indicated by the Department, case briefs must be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs, unless otherwise specified by the Department. Parties who submit argument in this proceeding are requested to provide the Department copies of the public version on disk. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs, that is, thirty-seven days after the date of publication of these preliminary results.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's

client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR 351.309(c)(ii), are due. The Department will publish the final results of these administrative reviews, including the results of its analysis of issues raised in any case, or rebuttal brief or at a hearing.

This administrative review is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 USC 1675(a)(1) and 19 USC 1677f(i)(1)). Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: April 2, 2001.

**Bernard T. Carreau,**

*Deputy Assistant Secretary, Import Administration.*

[FR Doc. 01-8659 Filed 4-6-01; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

[I.D. 040201B]

#### Endangered Species; Permits

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** NMFS has issued permits 1237 and 1273.

**SUMMARY:** Notice is hereby given of the following actions regarding permits for takes of endangered and threatened species for the purposes of scientific research and/or enhancement under the Endangered Species Act (ESA): NMFS has issued a permit to the Walla Walla District of the U.S. Army Corps of Engineers at Walla Walla, WA (Corps), and NMFS has issued permit #1273 to Mr. Chris Ivers of the North Carolina Aquarium Division (NCAD) (1273).

**ADDRESSES:** The Permits and related documents are available for review in the indicated office, by appointment:

For permit 1273: Endangered Species Division, F/PR3, 1315 East West Highway, Silver Spring, MD 20910 (phone: 301-713-1401, fax: 301-713-0376).

For permits 1237: Protected Resources Division, F/NW03, 525 NE Oregon Street, Suite 500, Portland, OR 97232-2737 (phone: 503-230-5400, fax: 503-230-5435).

Documents may also be reviewed by appointment in the Office of Protected Resources, F/PR3, NMFS, 1315 East-

West Highway, Silver Spring, MD 20910-3226 (phone: 301-713-1401).

**FOR FURTHER INFORMATION CONTACT:** For permit 1273: Terri Jordan, Silver Spring, MD (phone: 301-713-1401, fax: 301-713-0376, e-mail: Terri.Jordan@noaa.gov)

For permit 1237: Robert Koch, Portland, OR (ph: 503-230-5424, fax: 503-230-5435, e-mail: Robert.Koch@noaa.gov).

#### SUPPLEMENTARY INFORMATION:

##### Authority

Issuance of permits and permit modifications, as required by the Endangered Species Act of 1973 (16 U.S.C. 1531-1543) (ESA), is based on a finding that such permits/modifications: (1) are applied for in good faith; (2) would not operate to the disadvantage of the listed species which are the subject of the permits; and (3) are consistent with the purposes and policies set forth in section 2 of the ESA. Scientific research and/or enhancement permits are issued under Section 10(a)(1)(A) of the ESA. Authority to take listed species is subject to conditions set forth in the permits. Permits and modifications are issued in accordance with and are subject to the ESA and NMFS regulations governing listed fish and wildlife permits (50 CFR parts 222-226).

Those individuals requesting a hearing on an application listed in this notice should set out the specific reasons why a hearing on that application would be appropriate (see **ADDRESSES**). The holding of such hearing is at the discretion of the Assistant Administrator for Fisheries, NOAA. All statements and opinions contained in the permit action summaries are those of the applicant and do not necessarily reflect the views of NMFS.

#### Species Covered in This Notice

The following species and evolutionarily significant units (ESU's) are covered in this notice:

##### Fish

Sockeye salmon (*Oncorhynchus nerka*): endangered Snake River (SnR).

Chinook salmon (*O. tshawytscha*): threatened, naturally produced and artificially propagated, SnR spring/summer; threatened SnR fall.

Steelhead (*O. mykiss*): threatened SnR.

Endangered Shortnose Sturgeon (*Acipenser brevirostrum*)