

antidumping duty order on ceratin preserved mushrooms from the PRC. *See Initiation Notice*. On April 17, 2007, all five companies which requested the review timely withdrew their requests for administrative reviews.

#### Rescission of Review

Pursuant to 19 CFR 351.213(d)(1), the Department will rescind an administrative review, in whole or in part, if a party that requested a review withdraws the request within 90 days of the date of publication of the notice of initiation. In this case, the companies listed above withdrew their requests for administrative reviews of their exports of certain preserved mushrooms for the POR, within 90 days from the date of initiation. No other interested party requested a review of these companies. Therefore, the Department is rescinding this review of the antidumping duty order on certain preserved mushrooms from the PRC covering the POR, in accordance with 19 CFR 351.213(d)(1).

#### Assessment

The Department will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries for China Processed Food Import and Export Company, COFCO (Zhangzhou) Food Industrial Co. Ltd., China National Cereals, Oils and Foodstuffs Import and Export Corporation, Fujian Yu Xing Fruit and Vegetable Foodstuff Development Co., and Xiamen Jiahua Import and Export Trading Co., Ltd. Antidumping duties shall be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). The Department intends to issue appropriate assessment instructions directly to CBP 15 days after of publication of this notice in the **Federal Register**.

#### Notification to Importers

This notice serves as a final 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 assumption that reimbursement of antidumping duties occurred and subsequent assessment of double antidumping duties.

#### Notification Regarding Administrative Protective Orders ("APOs")

This notice also serves as a reminder to parties subject to APOs of their

responsibility concerning the return or destruction of proprietary information disclosed under an APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This notice is in accordance with section 777(i)(1) of the Tariff Act of 1930, as amended, and 19 CFR 351.213(d)(4) of the Department's regulations.

Dated: April 26, 2007.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

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#### DEPARTMENT OF COMMERCE

##### International Trade Administration

**A-570-878**

#### Saccharin from the People's Republic of China: Preliminary Results of the 2005-2006 Antidumping Duty Administrative Review

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

**SUMMARY:** The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on saccharin from the People's Republic of China ("PRC") covering the period July 1, 2005, through June 30, 2006. We preliminarily determine that sales of subject merchandise were made at less than normal value ("NV") by Shanghai Fortune Chemical Co., Ltd. ("Shanghai Fortune"). If these preliminary results are adopted in our final results of this review, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries of subject merchandise exported by Shanghai Fortune during the period of review ("POR").

Interested parties are invited to comment on these preliminary results. We intend to issue the final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act").

**EFFECTIVE DATE:** May 4, 2007.

**FOR FURTHER INFORMATION CONTACT:** Ann Fornaro or Frances Veith, AD/CVD

Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3927 or (202) 482-4295, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On July 9, 2003, the Department published the antidumping duty order on saccharin from the PRC. *See Notice of Antidumping Duty Order: Saccharin from the People's Republic of China*, 68 FR 40906 (July 9, 2003). On July 3, 2006, the Department published a notice of opportunity to request an administrative review of this order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 71 FR 37890 (July 3, 2006). In accordance with 19 CFR 351.213(b)(1), the following requests were made: (1) on July 28, 2006, Shanghai Fortune and Suzhou Fine Chemical Co. Group Ltd. ("Suzhou Fine Chemical"), Chinese exporting producers of subject merchandise, requested that the Department conduct an administrative review of their exports; (2) on July 28, 2006, Amgal Chemical Products (1989) Ltd. ("Amgal"), an Israeli exporting producer of sodium saccharin made from subject merchandise manufactured in the PRC, requested that the Department conduct an administrative review of its exports.

On August 30, 2006, the Department initiated this administrative review with respect to Shanghai Fortune, Suzhou Fine Chemical, and Amgal. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 71 FR 51573 (August 30, 2006). The Department issued antidumping duty questionnaires to Shanghai Fortune, Suzhou Fine Chemical, and Amgal on August 30, 2006.

On September 7, 2006, the Office of Policy issued a list of five surrogate countries at a level of economic development comparable to that of the PRC for the POR. *See the Memorandum from Ron Lorentzen, Director, Office of Policy, to Wendy Frankel, Director, AD/CVD Enforcement, Office 8, regarding, "Administrative Review of Saccharin from the People's Republic of China (PRC): Request for a List of Surrogate Countries"* (September 7, 2006) ("*Policy Memorandum*").

On October 16 and November 14, 2006, Suzhou Fine Chemical and Amgal, respectively, withdrew their requests for an administrative review.

No other party requested an administrative review of Suzhou Fine Chemical's or Amgal's exports to the United States.

On October 20, 2006, Shanghai Fortune submitted its sections A, C, and D questionnaire response ("ACD-QR"). On September 8 and 12, 2006, the Department invited interested parties to submit surrogate value ("SV") information and to submit comments on surrogate country selection. *See* the Letter from Blanche Ziv, Program Manager, Office 8, to All Interested Parties (September 8, 2006); and Letter from Blanche Ziv, Program Manager, Office 8, to All Interested Parties (September 12, 2006). On November 13, 2006, Shanghai Fortune submitted publicly available information to value the factors of production ("FOP"). No interested party submitted comments on the selection of a surrogate country.

The Department issued supplemental questionnaires to Shanghai Fortune on December 20, 2006, and on February 20, March 1, and March 14, 2007. Shanghai Fortune submitted responses to these supplemental questionnaires on January 17, March 6, March 20, and March 26, 2007, respectively. The Department also issued a supplemental questionnaire to Shanghai Fortune's U.S. customer on December 21, 2006. The U.S. customer submitted a response to the Department's supplemental questionnaire on January 18, 2007.

On December 26, 2006, the Department published a notice of partial rescission of this administrative review with respect to Suzhou Fine Chemical and Amgal. *See Saccharin from the People's Republic of China: Notice of Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 77382 (December 26, 2006).

On March 23, 2007, the Department published a notice in the **Federal Register** extending the time limit for issuing its preliminary results of review until May 2, 2007. *See Saccharin from the People's Republic of China: Notice of Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 72 FR 13746 (March 23, 2007).

#### Period of Review

The POR is July 1, 2005, through June 30, 2006.

#### Scope of the Order

The product covered by this antidumping duty order is saccharin. Saccharin is defined as a non-nutritive sweetener used in beverages and foods, personal care products such as toothpaste, table top sweeteners, and animal feeds. It is also used in

metalworking fluids. There are four primary chemical compositions of saccharin: (1) Sodium saccharin (American Chemical Society Chemical Abstract Service ("CAS") Registry 128-44-44); (2) calcium saccharin (CAS Registry 6485-34-34); (3) acid (or insoluble) saccharin (CAS Registry 81-07-07); and (4) research grade saccharin. Most of the U.S.-produced and imported grades of saccharin from the PRC are sodium and calcium saccharin, which are available in granular, powder, spray-dried powder, and liquid forms. The merchandise subject to this order is currently classifiable under subheading 2925.11.00 of the *Harmonized Tariff Schedule of the United States* ("HTSUS") and includes all types of saccharin imported under this HTSUS subheading, including research and specialized grades. Although the HTSUS subheading is provided for convenience and customs purposes, the Department's written description of the scope of this order remains dispositive.

#### Non-Market Economy Country Status

Shanghai Fortune did not contest the Department's treatment of the PRC as a non-market economy ("NME") country, and the Department has treated the PRC as an NME country in all past antidumping duty investigations and administrative reviews and continues to do so in this case. *See, e.g., Folding Metal Tables and Chairs from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 71 FR 71509 (December 11, 2006) ("FMTC-Final-04-05"); and *Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 71 FR 69546 (December 1, 2006) ("Non-Malleable Pipe"). No interested party in this case has argued that we should do otherwise. Designation as an NME country remains in effect until it is revoked by the Department. *See* Section 771(18)(C)(i) of the Act.

#### Surrogate Country

Section 773(c)(1) of the Act directs the Department to base NV on the NME producer's FOPs, valued in a surrogate market economy country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall use, to the extent possible, the prices or costs of the FOPs in one or more market economy countries that are: (1) at a level of economic development comparable to that of the NME country; and (2) significant producers of comparable

merchandise. The sources of the surrogate factor values are discussed under the "Normal Value" section below and in the Memorandum from Frances Veith, International Trade Compliance Analyst, through Blanche Ziv, Program Manager, to Wendy Frankel, Director, AD/CVD Operations, Office 8, "Preliminary Results of the 2005-2006 Antidumping Duty Administrative Review of Saccharin from the People's Republic of China: Surrogate Value Memorandum" (April 27, 2007) ("*Surrogate Value Memorandum*").

The Department determined that India, Indonesia, Sri Lanka, the Philippines, and Egypt are countries comparable to the PRC in terms of economic development. *See Policy Memorandum*. Customarily, we select an appropriate surrogate country from the *Policy Memorandum* based on the availability and reliability of data from the countries that are significant producers of comparable merchandise. *See Memorandum from Frances Veith, International Trade Compliance Analyst, through Blanche Ziv, Program Manager, and Wendy Frankel, Director, AD/CVD Operations, Office 8, to the File, "2005-2006 Antidumping Duty Administrative Review of Saccharin from the People's Republic of China: Selection of a Surrogate Country"* (February 26, 2007) ("*Surrogate Country Memorandum*").

Accordingly, we selected India as the primary surrogate country for purposes of valuing the FOPs in the calculation of NV because it meets the Department's criteria for surrogate country selection. *See Surrogate Country Memorandum and Surrogate Value Memorandum*. Where Indian data was not available, the Department calculated the SV using World Trade Atlas ("WTA") import statistics from the Philippines, available at <http://www.gtis.com/wta.htm>. The Philippines import data represents cumulative values for fiscal year 2005. We obtained and relied upon publicly available information wherever possible.

In accordance with 19 CFR 351.301(c)(3)(ii), for the final results in an antidumping administrative review, interested parties may submit publicly available information to value factors of production within 20 days after the date of publication of these preliminary results of review.

#### Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all

companies within the country are subject to government control, and thus, should be assigned a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of subject merchandise subject to review in an NME country a single rate unless an exporter can demonstrate that it is sufficiently independent of government control to be entitled to a separate rate. *See, e.g., Honey from the People's Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 74764, 74765 (December 16, 2005) (unchanged in the final results);<sup>1</sup> and *Non-Malleable Pipe*, 71 FR at 69548.

We considered whether Shanghai Fortune, based in the PRC, is eligible for a separate rate. The Department's separate-rate test to determine whether the exporters are independent from government control does not consider, in general, macroeconomic/border-type controls, *e.g.*, export licenses, quotas, and minimum export prices, particularly if these controls are imposed to prevent dumping. The test focuses, rather, on controls over the investment, pricing, and output decision-making process at the individual firm level. *See, e.g., Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Final Results of Antidumping Administrative Review*, 62 FR 61276, 61279 (November 17, 1997); and *Certain Cut-to-Length Carbon Steel Plate from Ukraine: Final Determination of Sales at Less than Fair Value*, 62 FR 61754, 61758 (November 19, 1997).

To establish whether an exporter is sufficiently independent of government control to be entitled to a separate-rate, the Department analyzes the exporter in light of select criteria. *See Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20585, 22587 (May 6, 1991); and *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994). Under this test, exporters in NME countries are entitled to separate, company-specific margins when they can demonstrate an absence of government control over exports, both in law ("*de jure*") and in fact ("*de facto*").

Shanghai Fortune provided company-specific separate-rate information and stated that it met the standards for the

assignment of a separate rate.<sup>2</sup> Shanghai Fortune reported that it is wholly owned by Fortune Knitting Co., Ltd., a privately held foreign-owned market economy entity.<sup>3</sup> Therefore, further separate-rate analysis is not necessary to determine whether Shanghai Fortune's export activities are independent from government control. *See, e.g., Folding Metal Tables and Chairs from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 38852, at 38853–38855 (July 10, 2006) ("FMTC–Prelim–04–05") (unchanged in the final)<sup>4</sup> and *Notice of Final Determination of Sales at Less Than Fair Value: Bicycles From the People's Republic of China*, 61 FR 19026, 19027 (April 30, 1996).

#### Date of Sale

Section 351.401(i) of the Department's regulations states that:

in identifying the date of sale of the subject merchandise or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer's records kept in the normal course of business. However, the Secretary may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.

*See also Allied Tube and Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090–1093 (CIT 2001) (upholding the Department's rebuttable presumption that invoice date is the appropriate date of sale). After examining the questionnaire responses and the sale documentation placed on the record by Shanghai Fortune, we preliminarily determine that invoice date is the most appropriate date of sale in this review. We made this determination based on statements on the record that indicate that Shanghai Fortune's invoice establishes the material terms of sale to the extent required by our regulations. *See Shanghai Fortune's ACD–QR at A11 and C12.* Nothing on the record of this review rebuts the presumption that invoice date should be the date of sale.

#### Fair Value Comparisons

To determine whether Shanghai Fortune's sale of saccharin to the United States was made at a price below NV, we compared Shanghai Fortune's export price ("EP") to NV, as described in the

"Export Price" and "Normal Value" sections of this notice, pursuant to section 773 of the Act.

#### Export Price

Because Shanghai Fortune sold subject merchandise to an unaffiliated purchaser in the United States prior to importation into the United States and use of a constructed-export-price methodology was not otherwise indicated, we used EP in accordance with section 772(a) of the Act.

For Shanghai Fortune, we calculated EP based on the FOB Shanghai port price to an unaffiliated purchaser. From this price, we deducted amounts for foreign inland freight and brokerage and handling, pursuant to section 772(c)(2)(A) of the Act. *See Memorandum to the File from Ann Fornaro, International Trade Compliance Analyst: "Analysis for the Preliminary Results of the 2005–2006 Antidumping Duty Administrative Review of Saccharin from the People's Republic of China: Shanghai Fortune Chemical Co., Ltd." (April 27, 2007) ("Shanghai Fortune Preliminary Analysis Memorandum").*

The Department used two sources to calculate an SV for domestic brokerage and handling expenses. The Department averaged December 2003 through November 2004 data contained in Essar Steel's February 28, 2005, public version response submitted in the antidumping duty administrative review of hot-rolled carbon steel flat products from India. *See Certain Hot-Rolled Carbon Steel Flat Products From India: Notice of Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 2018, 2022 (January 12, 2006). The Essar Steel data was averaged with the February 2004 through January 2005 data contained in Agro Dutch Industries Limited's ("Agro Dutch") May 24, 2005, public version response submitted in the administrative review of the antidumping duty order on certain preserved mushrooms from India. *See Certain Preserved Mushrooms From India: Final Results of Antidumping Duty Administrative Review*, 70 FR 37757 (June 30, 2005); and *FMTC–Prelim–04–05 at 71 FR 38857* (utilizing this same data). The brokerage expense data reported by Essar Steel and Agro Dutch in their public versions is ranged data. Essar Steel reported averaged, ranged values for each reported sale transaction in its submission, while Agro Dutch reported an overall averaged, ranged value for its POR. In the instant review, the Department first derived an overall average value from

<sup>1</sup> *See Honey from the People's Republic of China: Final Results and Final Rescission, In Part, of Antidumping Duty Administrative Review*, 71 FR 34893 (June 16, 2006).

<sup>2</sup> *See ACD–QR at pages A2 through A8.*

<sup>3</sup> *Id.*

<sup>4</sup> *See FMTC–Final–04–05.*

Essar Steel's data. Then the Department adjusted both source's overall average value for inflation. Finally, the Department derived an SV for brokerage and handling by calculating an average from the source's inflated average value. See *Surrogate Value Memorandum* at Attachment 12.

To value truck freight, we used the freight rates published by Indian Freight Exchange, available at <http://www.infreight.com>. The truck freight rates are contemporaneous with the POR; therefore, we made no adjustments for inflation. See *Surrogate Value Memorandum* at Attachment 11.

### Normal Value

Section 773(c)(1) of the Act provides that, in the case of an NME, the Department shall determine NV using an FOP methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. The Department will base NV on FOP because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under our normal methodologies. Therefore, we calculated NV based on FOP in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c).

The FOPs include: (1) hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. We used the FOPs reported by Shanghai Fortune for materials, energy, labor, and packing.

In accordance with 19 CFR 351.408(c)(1), the Department will normally use publicly available information to value the FOPs, but when a producer sources an input from a market economy supplier and pays for it in market economy currency, the Department will normally value the factor using the actual price paid for the input. See 19 CFR 351.408(c)(1); see also, *Lasko Metal Products v. United States*, 43 F.3d 1442, 1445–1446 (Fed. Cir. 1994) (affirming the Department's use of market-based prices to value certain FOPs). However, when the Department has reason to believe or suspect that such prices may be distorted by subsidies, the Department will disregard the market economy purchase prices and use SVs to determine the NV. See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of the 1998–1999 Administrative*

*Review, Partial Rescission of Review, and Determination Not to Revoke Order in Part*, 66 FR 1953 (January 10, 2001), and accompanying *Issues and Decision Memorandum* at Comment 1. Shanghai Fortune reported that a significant percentage of its consumption of phthalic anhydride used in the production of saccharin was purchased from a market economy and paid for in a market economy currency. See the "Factor Valuations" section of this notice, below, for further discussion.

Shanghai Fortune reported that during the production process of saccharin, it generates and recycles certain chemical by-products for resale.<sup>5</sup> However, Shanghai Fortune was unable to provide documentation supporting its production and sales of these by-products during the POR. The amount of products reused or sold during the POR is an integral part of the factor calculation for by-products. See *Notice of Final Determination of Sales at Less Than Fair Value: Urea Ammonium Nitrate Solutions from Belarus*, 68 FR 9055 (February 27, 2003), and accompanying *Issues and Decision Memorandum* at Comment 3 ("The Department allows such credits, but only for the amount of the by-product/recovery actually sold or reused."); *Notice of the Final Determination of Sales at Less Than Fair Value: Saccharin from the People's Republic of China*, 68 FR 27530 (May 20, 2003), and accompanying *Issues and Decision Memorandum* at Comment 6; and *Saccharin from the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative*, 71 FR 7515 (February 13, 2006), and accompanying *Issues and Decision Memorandum* at Comment 2. Therefore, we are not granting a by-product offset to Shanghai Fortune. For further details, see *Shanghai Fortune Preliminary Analysis Memorandum*.

### Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on the FOPs reported by Shanghai Fortune for the POR. We relied on the factor-specific data submitted by Shanghai Fortune in its questionnaire and supplemental questionnaire responses for purposes of selecting SVs.

To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available Indian SVs (except as noted below). In selecting the SVs, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to

render them delivered prices. Specifically, we added to Indian import SVs a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory where appropriate. This adjustment is in accordance with the decision of the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit"). See *Sigma Corp. v. United States*, 117 F.3d 1401, 1408 (Fed. Cir. 1997). Where necessary, we adjusted the SVs for inflation/deflation using the Indian Wholesale Price Index ("WPI") as published on the Reserve Bank of India ("RBI") website, available at <http://www.rbi.org.in>. For a detailed description of all SVs used for Shanghai Fortune, see the *Surrogate Value Memorandum*.

Except as noted below, we valued raw material inputs using the July 1, 2005, through June 30, 2006, weighted-average unit import values derived from the Monthly Statistics of the Foreign Trade of India, as published by the Directorate General of Commercial Intelligence and Statistics of the Ministry of Commerce and Industry, Government of India and used in the WTA, available at <http://www.gtis.com/wta.htm>. The Indian WTA import data is reported in rupees and is contemporaneous with the POR. See *Surrogate Value Memorandum* at Attachment 4. We adjusted the SVs to account for freight costs incurred between the supplier and respondent. We used the freight rates published by Indian Freight Exchange, available at <http://www.infreight.com>, to value truck freight. Because the truck freight rates are contemporaneous with the POR, we made no adjustments for inflation.

Furthermore, with regard to the WTA import-based SVs, for each input value, we used the average unit value for that input imported into India from all countries, with three exceptions. First, imports from all countries that the Department has previously determined to be NME countries were excluded from the average.<sup>6</sup> Second, it is the Department's current practice that, where the facts developed in U.S. or third-country countervailing duty findings include the existence of subsidies that appear to be used generally (in particular, broadly available, non-industry-specific export subsidies), it is reasonable for the Department to consider that it has particular and objective evidence to

<sup>6</sup> For further information, see *Expected Non-Market Economy Wages: Request for Comment on Calculation Methodology*, 70 FR 37761, 37763 (June 30, 2005) ("Wage Rate FR").

<sup>5</sup> See ACD-QR in Exhibits D-3.

support a reason to believe or suspect that prices of the inputs from the country granting the subsidies may be subsidized. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China; Final Results of the 1998–1999 Administrative Review, Partial Rescission of Review, and Determination Not to Revoke Order in Part*, 66 FR 1953 (Jan. 10, 2001), and accompanying *Issues and Decision Memorandum* at Comment 1; *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China; Final Results of 1999–2000 Administrative Review, Partial Rescission of Review, and Determination Not To Revoke Order in Part*, 66 FR 57420 (Nov. 15, 2001), and accompanying *Issues and Decision Memorandum* at Comment 1; and *China National Machinery Imp. & Exp. Corp. v. United States*, 293 F. Supp. 2d 1334, 1339 (CIT 2003), as affirmed by the Federal Circuit, 104 Fed. Appx. 183 (Fed. Cir. 2004). We are also guided by the statute's legislative history that explains that it is not necessary to conduct a formal investigation to ensure that such prices are not subsidized. *See* H.R. Rep. No. 576 100th Cong., 2. Sess. 590–91 (1988). Rather, the Department was instructed by Congress to base its decision on information that is available to it at the time it is making its determination. Therefore, we excluded export prices from Indonesia, South Korea, Thailand, and India in calculating the Indian import-based SVs or in calculating the Philippines import-based SV. *See* *Surrogate Value Memorandum*.

Finally, we excluded imports that were labeled as originating from an "unspecified" country from the average value because we could not be certain that they were not from either an NME or a country with general export subsidies. For a complete description of the factor values we used in these preliminary results, *see* *Surrogate Value Memorandum*.

To value aqueous ammonia, the Department used the POR average unit value for imports into India from all countries, except as noted above. We invite parties to submit comments and additional information on the valuation of aqueous ammonia to be considered by the Department for the final results, pursuant to 19 CFR 351.301(c)(3)(ii). For further discussion of the comments submitted to the Department by Shanghai Fortune regarding the valuation of aqueous ammonia, *see* *Surrogate Value Memorandum*.

In addition to the Indian WTA import data, we valued certain raw material

inputs (*i.e.*, liquid sodium hydroxide, hydrochloric acid, sulfuric acid, sodium nitrite, copper sulfate, toluene, sodium bicarbonate, ionic membrane sodium hydroxide) based on Indian domestic price data obtained from the Indian publication *Chemical Weekly*. Because the domestic chemical prices obtained from *Chemical Weekly* are reported on a 100-percent concentration basis unless otherwise noted, we adjusted the weighted-average POR price for Shanghai Fortune's reported product chemical concentration percentage levels, where appropriate. *See* *Sebacic Acid from the People's Republic of China: Final Results of Antidumping Duty Review*, 64 FR 69503, 69504–69505 (December 13, 1999) at Comment 2. We calculated an average domestic price from the multiple publication prices within the POR, where applicable. We adjusted the average value to exclude excise and/or sales tax in each case where the price was specifically identified as being inclusive of the 16-percent excise tax identified in *Central Excise Tariff 1998–99* (as published by Cen-Cus Publications, New Delhi) and/or sales tax, as appropriate. For further details, *see* *Surrogate Value Memorandum* at Attachment 5.

As noted in the "Normal Value" section above, Shanghai Fortune provided evidence that it had purchased phthalic anhydride from a market economy supplier and paid for it in a market economy currency. Therefore, in accordance with 19 CFR 351.408(c)(1), the Department has determined to use the market economy price as reported by Shanghai Fortune to value this input because the market economy input represents a significant quantity of the input purchased during the POR. For further details, *see* *Shanghai Fortune Preliminary Analysis Memorandum*.

To value sulfur dioxide, the Department used the per-kilogram values obtained from Annual Import Statistics of the Philippines National Statistics Office, as published by the WTA, because we found the POR Indian data available for this input to be unreliable due to small quantities and aberrant values. We made adjustments to the weighted-average value to account for freight costs incurred between the PRC supplier and Shanghai Fortune. The Philippines WTA data is reported in U.S. dollars ("USD") and is contemporaneous with the POR. *See* *Surrogate Value Memorandum* at Attachment 4.

To value liquid chlorine, the Department selected the sales value of chlorine from public information the Department placed on the record of this

review<sup>7</sup> (*i.e.*, annual reports of three Indian Chemical companies: 1) Bihar Caustic & Chemicals Ltd.; 2) Kanoria Chemicals & Industries Limited; and 3) TATA Chemicals) because we found the WTA Indian data available for this input to be unreliable due to small quantities and aberrant values and Chemical Weekly price data is not available for this input. We averaged the sales prices for chlorine reported in the three annual reports and made adjustments to account for freight costs incurred between the PRC supplier and Shanghai Fortune. The sales value data is reported in rupees per metric ton and is contemporaneous with the POR. *See also*, *Surrogate Value Memorandum* at Attachment 6.

To value electricity, the Department used the 2000 electricity price rates from *Key World Energy Statistics 2003*, published by the International Energy Agency available at <http://www.eia.doe.gov/emeu/international/elecpii.html>. Because this data was not contemporaneous with the POR, we adjusted the average value for inflation using WPI. *See* *Surrogate Value Memorandum* at Attachment 8.

To value water, we used the Revised Maharashtra Industrial Development Corporation ("MIDC") water rates for June 1, 2003, available at <http://www.midcindia.com/water-supply>, adjusted for inflation using WPI.

For direct labor, indirect labor and packing labor, consistent with 19 CFR 351.408(c)(3), we used the PRC regression-based wage rates reflective of the observed relationship between wages and national income in market economy countries as reported on Import Administration's home page. *See* "Expected Wages of Selected NME Countries" (revised January 2007) (available at <http://www.trade.gov/ia/>). For further details on the labor calculation, *see* *Surrogate Value Memorandum* at Attachment 7.

For factory overhead, selling, general, and administrative expenses ("SG&A"), and profit values, consistent with 19 CFR 351.408(c)(4), we used public information gathered from an auditor's report for the year ending March 31, 2006, from an Indian producer of comparable merchandise (*i.e.*, Atul Ltd.). From this information, we were able to determine factory overhead as a percentage of the total raw materials, labor and energy ("ML&E") costs; SG&A as a percentage of ML&E plus overhead (*i.e.*, cost of manufacture) and traded

<sup>7</sup> *See* Memorandum to the File, from Frances Veith, International Trade Compliance Analyst, AD/CVD Operations, Office 8, regarding, "Surrogate Value Data for Liquid Chlorine," (March 8, 2007).

goods; and the profit rate as a percentage of the cost of manufacture plus SG&A and traded goods. *See Surrogate Value Memorandum* for a full discussion of the calculation of these ratios.

For packing materials, we used the per-kilogram values obtained from the Indian WTA import data and made adjustments to account for freight costs incurred between the PRC supplier and Shanghai Fortune. *See Surrogate Value Memorandum* at Attachment 4.

#### Currency Conversion

We made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Bank.

#### Preliminary Results of Review

We preliminarily find the weighted-average dumping margin for Shanghai Fortune for the period July 1 2005, through June 30, 2006, to be 47.60 percent.

#### Disclosure

We will disclose the calculations used in our preliminary analysis to parties to this proceeding within five days of the publication date of this notice. *See* 19 CFR 351.224(b). Interested parties are invited to comment on the preliminary results and may submit case briefs and/or written comments within 30 days of the date of publication of this notice. *See* 19 CFR 351.309(c)(ii). Any interested party may request a hearing within 30 days of publication of this notice. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 42 days after the date of publication of this notice. *See* 19 CFR 351.310(d). Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 35 days after the date of publication. *See* 19 CFR 351.309(d). The Department requests that parties submitting written comments also provide the Department with an additional copy of those comments on diskette or CD. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department

intends to issue appropriate assessment instructions directly to CBP 15 days after the date of publication of the final results of this administrative review. In accordance with 19 CFR 351.212(b)(1), we calculated an exporter/importer—or customer—specific assessment rate or value for merchandise subject to this review. For these preliminary results, we divided the total dumping margins for the reviewed sales by the total entered quantity of those reviewed sales for each applicable importer. In this review, if these preliminary results are adopted in our final results of review, we will direct CBP to assess the resulting rate against the entered customs value or per-unit assessment, as appropriate, for the subject merchandise on each importers'/customers' entries during the POR.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for Shanghai Fortune, which has a separate rate, the cash deposit rate will be the company-specific rate established in the final results of review (except, if the rate is zero or *de minimis*, no cash deposit will be required); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 329.33 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also 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 determination is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: April 27, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E7-8581 Filed 5-3-07; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-351-826)

#### Certain Small Diameter Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Brazil: Notice of Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review

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

**EFFECTIVE DATE:** May 4, 2007.

**FOR FURTHER INFORMATION CONTACT:** Stephen Bailey or Dena Crossland, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0193 or (202) 482-3362, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On September 29, 2006, the Department of Commerce ("the Department") published a notice of initiation of administrative review of the antidumping duty order on certain small diameter seamless carbon and alloy steel standard, line and pressure pipe from Brazil, covering the period August 1, 2005, through July 31, 2006. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 71 FR 57465 (September 29, 2006). The preliminary results for this review are currently due no later than May 3, 2007.

##### Statutory Time Limits

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act"), requires the Department to issue the preliminary results of an administrative review within 245 days after the last day of the anniversary month of an order for which a review is requested and the final results of review within 120 days after the date on which the preliminary