Notices

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This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Forest Service

Southwestern Region; Authorization of Livestock Grazing Activities on the Sacramento Grazing Allotment, Sacramento Ranger District, Lincoln National Forest, Otero County, NM

AGENCY: Forest Service, USDA.

ACTION: Revised notice of intent to prepare an environmental impact statement.

SUMMARY: The Forest Service will prepare an environmental impact statement on a proposal to authorize livestock grazing activities on the Sacramento Grazing Allotment. The project area encompasses over 111,000 acres of National Forest lands on the Sacramento Ranger District of the Lincoln National Forest. The Sacramento Grazing Allotment comprises approximately 25% of the range district. The project has generated controversy on three main points; effects to threatened and endangered animal and plant species, concern for degraded riparian areas, and forage competition between wildlife and livestock.

The Notice of Intent to prepare an Environmental Impact Statement was first published in the **Federal Register** on Friday, May 5, 1999 (Volume 64, Number 86, pages 24132–24134). The Notice announced that a draft environmental impact statement would be available for review in July 1999, and a final environmental impact statement would be for review in September 1999. The draft environmental impact statement is now expected to be in July 2000 and a final environmental impact statement should be by October 2000.

FOR FURTHER INFORMATION CONTACT: Rick Newmon or Mark Cadwallader, Lincoln National Forest, Sacramento Ranger District, P.O. Box 288, Cloudcroft, New Mexico, 88317, (505) 682–2551.

Dated: February 4, 2000.

Jose M. Martinez,

Forest Supervisor, Lincoln National Forest.

[FR Doc. 00–5532 Filed 3–7–00; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–803]

Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, From the People's Republic of China; Preliminary Results and Partial Recission of Antidumping Duty Administrative Reviews

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

ACTION: Notice of preliminary results and partial recission of antidumping duty administrative reviews of heavy forged hand tools, finished or unfinished, with or without handles, from the People's Republic of China.

SUMMARY: The Department of Commerce (''the Department'') has preliminarily determined that sales by the respondents in these reviews covering the period February 1, 1998 through January 31, 1999, have been made below normal value (''NV''). If these preliminary results are adopted in our final results of reviews, we will instruct the U.S. Customs Service to assess antidumping duties on all appropriate entries.

We invite interested parties to comment on these preliminary results.

EFFECTIVE DATE: March 8, 2000.

FOR FURTHER INFORMATION CONTACT: Lyman Armstrong or Paul Stolz, Antidumping/Countervailing Duty Enforcement, Office IV, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone (202) 482–3601 or (202) 482–4474, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (''the Act''), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (''URAA''). In addition, all references to the Department's regulations are to 19 CFR Part 351 (April 1999).

Period of Review

The period of review (''POR'') is February 1, 1998 through January 31, 1999.

Background

On February 19, 1991, the Department published in the **Federal Register** (56 FR 6622) the antidumping duty orders on heavy forged hand tools, finished or unfinished, with or without handles (''certain heavy forged hand tools'' or ''HFHTs''), from the People's Republic of China (''PRC''). On February 11, 1999, the Department published in the **Federal Register** (64 FR 6878) a notice of opportunity to request administrative reviews of these antidumping duty orders. On February 25, 1999, four exporters of the subject merchandise requested that the Department conduct administrative reviews of their exports of the subject merchandise. Specifically, Fujian Machinery & Equipment Import & Export Corporation (''FMEC'') requested that the Department conduct administrative reviews of its exports of HFHTs within the following classes or kinds or merchandise identified in the scope: Axes/adzes; hammers/sledges; and picks/mattocks. Shandong Huarong General Group Corporation (''Shandong Huarong'') requested that the Department conduct an administrative review of its exports of HFHTs within the bars/wedges class or kind of merchandise. Liaoning Machinery Import & Export Corporation (''LMC'') requested that the Department conduct administrative reviews of its exports of HFHTs within the bars/wedges, hammers/sledges, and picks/mattocks classes or kinds of merchandise. Shandong Machinery Import & Export Corporation (''SMC'') requested that the Department conduct administrative reviews of its exports of HFHTs within the axes/adzes, bars/wedges, hammers/sledges, and picks/mattocks classes or kinds or merchandise.

In addition, on March 1, 1999, the petitioner, O. Ames Co., requested that the Department conduct administrative reviews of exports within all four classes of subject merchandise by Tianjin Machinery Import & Export Corporation (''TMC''), FMEC, Shandong

Huarong, LMC, and SMC. The Department initiated these reviews on March 19, 1999 (64 FR 14860 (March 29, 1999)).

On October 28, 1999, the Department extended the time limits for completing the preliminary results in these proceedings until February 28, 2000 (*see* 64 FR 58034 (October 28, 1999)). The Department is conducting these administrative reviews in accordance with section 751 of the Act.

Partial Rescission

In its May 28, 1999, Section A questionnaire response, Shandong Huarong stated that during the POR, it sold only subject merchandise within the bars/wedges and axes/adzes classes or kinds of merchandise. Moreover, Shandong Huarong stated that it produced only bars and did not have access to the information necessary for it to participate in the review of its sales of HFHTs within the axes/adzes class or kind of merchandise. Furthermore, Shandong Huarong requested that it be excluded from the review of the hammers/sledges and picks/mattocks classes or kinds of merchandise. Based on our review of U.S. import data obtained from the U.S. Customs Service (''Customs Service''), we are preliminarily rescinding our review of Shandong Huarong with respect to sales within the hammers/sledges and picks/mattocks classes or kinds of merchandise. As noted below, we have relied upon adverse facts available in determining the preliminary margin for Shandong Huarong's sales of HFHTs within the axes/adzes class or kind of merchandise. For details regarding our decision to resort to adverse facts available see the *Adverse Facts Available* section of this notice below.

In its May 28, 1999, Section A questionnaire response, LMC noted that it sold only HFHTs within the bars/wedges class or kind of merchandise. Based upon our review of U.S. import data obtained from the Customs Service, we are preliminarily rescinding our review of LMC with respect to sales within the axes/adzes, hammers/sledges and picks/mattocks classes or kinds of merchandise.

Scope of Reviews

Imports covered by these reviews are shipments of HFHTs from the PRC comprising the following classes or kinds of merchandise: (1) hammers and sledges with heads over 1.5 kg (3.33 pounds) (hammers/sledges); (2) bars over 18 inches in length, track tools and wedges (bars/wedges); (3) picks/mattocks; and (4) axes/adzes.

HFHTs include heads for drilling, hammers, sledges, axes, mauls, picks, and mattocks, which may or may not be painted, which may or may not be finished, or which may or may not be imported with handles; assorted bar products and track tools including wrecking bars, digging bars and tampers; and steel wood splitting wedges. HFHTs are manufactured through a hot forge operation in which steel is sheared to required length, heated to forging temperature, and formed to final shape on forging equipment using dies specific to the desired product shape and size. Depending on the product, finishing operations may include shot-blasting, grinding, polishing and painting, and the insertion of handles for handled products. HFHTs are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 8205.20.60, 8205.59.30, 8201.30.00, and 8201.40.60. Specifically excluded are hammers and sledges with heads 1.5 kg (3.33 pounds) in weight and under, hoes and rakes, and bars 18 inches in length and under. Although the HTS subheadings are provided for convenience and Customs purposes, our written description of the scope of these orders is dispositive.

Verification

As provided in section 782(i) of the Act, we conducted verifications of the information provided by the trading companies SMC and TMC, as well as the information provided by their suppliers (the manufacturers of the subject merchandise). We used standard verification procedures including; on-site inspection of the manufacturers' facilities, examination of relevant sales and financial records, and selection of relevant source documentation as exhibits. Our verification findings are detailed in the memoranda dated February 28, 2000, the public versions of which are on file in the Central Records Unit, Room B099 of the Main Commerce building (CRU-Public File).

Adverse Facts Available

In accordance with section 776(a)(2) of the Act, the Department has determined that the use of adverse facts available is appropriate for purposes of determining the preliminary antidumping duty margins for one or more classes or kinds of subject merchandise sold by SMC, FMEC and Shandong Huarong. Section 776(a)(2) of the Act provides that;

> If an interested party or any other person (A) withholds information that has been requested by the administering authority or the Commission under this title; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i), the administering authority and the Commission shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title.

Moreover, section 776(b) of the Act provides that;

> If the administering authority or the Commission (as the case may be) finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority or the Commission, the administering authority or the Commission (as the case may be), in reaching the applicable determination under this title, may use an inference that is adverse to the interests of that party in selecting from among the facts otherwise available.

In the instant review, SMC, FMEC and Shandong Huarong failed to provide certain information that was requested by the Department. In addition, the information that SMC provided regarding its sales of hammers/sledges could not be verified. For the reasons set forth in the following sections, we have determined that these failures warrant the use of adverse facts available.

SMC

Failure To Provide Requested Information

Pursuant to requests for review by SMC and the petitioner, the Department requested that SMC provide sales and factors of production information regarding its sales of axes/adzes, bars/wedges, hammers/sledges, and picks/mattocks. In its section A questionnaire response, SMC reported quantity and value information for hammers/sledges, axes/adzes, and bars/wedges while making no mention of picks/mattocks. However, in its section C questionnaire response, SMC reported only sales of hammers/sledges. Moreover, in its December 13, 1999 supplemental questionnaire response, SMC stated that it was not supplying financial statements for one of its suppliers because that supplier produced bars, but SMC was ''only participating in the review on hammers.'' On December 28, 1999, SMC submitted additional information which included a chart identifying the quantity and value of its U.S. sales of bars/wedges and axes/adzes. The company did not provide any explanation as to why it included sales of these classes or kinds of merchandise in the chart. At the

verification of SMC, the Department's verifiers found that, during the POR, SMC had, in fact, sold HFHTs to the United States within the axes/adzes, bars/wedges, and picks/mattocks classes or kinds of merchandise, but failed to report these sales to the Department. Company officials told the verifiers that they were aware that these sales had not been reported and that the Department would resort to facts available in determining the margin for such sales. *See* the memorandum to The File, *Verification of Shandong Machinery Import & Export Corporation's Sales Questionnaire Responses*, dated February 28, 2000 (''*SMC Sales Verification Report*'').

We issued to SMC a supplemental questionnaire notifying SMC of the deficiencies in its submissions and providing it with an opportunity to remedy these deficiencies. *See* the letter to SMC dated November 19, 1999, transmitting the supplemental questionnaire. SMC failed to correct these deficiencies. After reviewing the record in this review, we have determined that the information submitted by SMC regarding axes/adzes and bars/wedges is so incomplete as to be unusable for calculating a margin. Accordingly, notwithstanding section 782(e) of the Act, as described below, pursuant to 776(a) of the Act, we are using the facts available to determine SMC's margins with respect to axes/adzes and bars/wedges. Furthermore, SMC's failure to report its sales of picks/mattocks warrants the use of facts available.

Verification Failure

On January 17, 18, 19, and 22, 2000, the Department conducted a verification of SMC's questionnaire response at the company's headquarters in Qingdao, China. At the verification, the Department's verifiers required SMC to reconcile the total reported quantity and value of its U.S. sales to its financial records and to demonstrate the completeness of its reported U.S. sales. The Department notified SMC of these requirements in its verification agenda dated January 7, 2000. In that agenda, the Department requested that SMC prepare specific worksheets and have available certain records which the verifiers intended to use in order to ensure that SMC properly reported all of its U.S. sales of subject merchandise. *See* the Department's letter to TMC and SMC, dated January 7, 2000, transmitting the verification outline. However, prior to the start of the verification, SMC failed to prepare any of the material requested by the Department. Moreover, other than providing source documents, such as invoices, prior to the commencement of the verification, company officials had not prepared any other supporting documentation to demonstrate how the total reported quantity and value of sales reconciled to the company's records. Nevertheless, during the verification, the verifiers afforded SMC officials an opportunity to prepare worksheets reconciling the total reported quantity and value of the company's U.S. sales of hammers/sledges to its financial records [1]. However, the verifiers' efforts to work with company officials were seriously impaired for the following reasons: (1) They discovered that company accountants made unorthodox accounting entries that made it difficult to tie sales invoices to the monthly sales journal (for a detailed discussion of this topic, *see* the proprietary version of the *SMC Sales Verification Report*); (2) they found that for some U.S. sales, SMC had misreported the date of sale; and (3) at the verification, SMC failed to provide certain documentation requested by the verifiers. The verifiers' efforts to work with company officials and the difficulties that they encountered are detailed below.

After discussions with company officials, the verifiers requested that the officials create three charts in order to reconcile total quantity and value: (1) a chart reconciling the sales revenue shown on the financial statements to the cumulative sales revenue listed for all of SMC's departments; (2) a chart listing the total sales revenue, by product, for the Hardware and Tools Department No. 2 (''HTD2''); and (3) a chart listing sales of both subject and non-subject hammers by HTD2 (the third chart was based on information from SMC's sales journal). However, the charts that company officials provided in response to this request failed to reconcile the total reported quantity and value of SMC's U.S. sales to its records. Company officials explained that the accountants routinely made certain monthly adjustments (the nature of which is proprietary) to the sales records of HTD2 which rendered the verifiers' attempts to reconcile total reported quantity and value unworkable (for a detailed discussion of this topic, *see* the proprietary version of the *SMC Sales Verification Report*). Furthermore, because some of these adjustments pertained to extended periods, it was not possible to isolate the portion of the adjustments that pertained solely to the POR; nor could the verifiers tie adjusted sales figures to SMC's questionnaire response. After it became apparent that SMC could not use the prepared charts to reconcile the total reported quantity and value to its financial statements, the verifiers attempted additional procedures to test the completeness and accuracy of SMC's reported U.S. sales using the books and records that were available.

Specifically, the verifiers requested that company officials prepare a chart, similar to the third chart described above, except that it was to be based on SMC's inventory journal for HTD2. After affording company officials with ample time to respond to this request, officials provided a new quantity and value chart and attempted to demonstrate how it could be tied to SMC's reported sales by making certain adjustments. Officials offered no explanation as to why they did not provide the specific chart that the verifiers requested. The attempt to reconcile total reported quantity and value using the new chart was unsuccessful.

Additionally, the attempts to reconcile total reported quantity and value were complicated by the fact that SMC inaccurately reported its date of sale methodology. In its questionnaire responses, SMC reported that it used the invoice date as the date of sale. However, at the verification, the verifiers found that SMC had, in fact, used both the invoice and, in some cases, a projected U.S. customs entry date, as the date of sale for reporting purposes.

As a result of the difficulties outlined above, SMC was unable to demonstrate that it properly reported all of its U.S. sales of hammers/sledges. The Department's antidumping analysis is based fundamentally on an evaluation of a respondent's U.S. selling practices. Thus, a complete and accurate reporting of U.S. sales is central to determining accurate dumping margins. Because SMC could not establish the completeness of its reported U.S. sales, we consider SMC to have failed verification.

Use of Adverse Facts Available

As noted above, the record in this review demonstrates that SMC failed to report sales and factors of production information regarding its sales of axes/adzes, bars/wedges, and picks/mattocks and that it provided information regarding its sales of hammers/sledges that could not be verified. Therefore, pursuant to section 776(a)(2)(A) & (D) of the Act, we have relied upon facts available in reaching our preliminary results for SMC. Moreover, the fact that SMC was aware of its sales of HFHTs

[1] SMC reported only U.S. sales of HFHTs within the hammers/sledges class or kind of merchandise.

within the axes/adzes, bars/wedges, and picks/mattocks classes or kinds of subject merchandise and that the Department readily obtained general information regarding the existence of such sales at the verification, supports our determination that SMC did not act to the best of its ability to report sales and factors of production information for such transactions. Furthermore, SMC failed to act to the best of its ability during the course of these reviews by failing to demonstrate the accuracy of its reported U.S. sales of hammers/sledges at the verification. Therefore, pursuant to section 776(b) of the Act, we have used an adverse inference in selecting facts available margins for SMC. Specifically, we have based SMC's preliminary margin on the highest margin from this or any prior segment of this proceeding. *See Ferro Union* v. *United States* 44 F. Supp. 2 1310 (CIT 1999) (*Ferro Union*).

FMEC

Failure to Provide Requested Information

Pursuant to requests for review by FMEC and the petitioner, the Department requested that FMEC provide sales and factors of production information regarding its sales of axes/adzes, bars/wedges, hammers/sledges, and picks/mattocks. FMEC submitted its responses to section A and to sections C and D of the Department's questionnaire on May 28, 1999, and June 21, 1999, respectively. In order for the Department to adequately analyze FMEC's selling practices and accurately calculate margins for the company, we requested additional information from FMEC in a supplemental questionnaire dated November 19, 1999. FMEC did not submit a response to the Department's supplemental questionnaire. On December 15, 1999, FMEC informed the Department that it would not participate further in these administrative reviews.

After reviewing the record in this review, we have determined that the information submitted by FMEC regarding axes/adzes, bars/wedges, hammers/sledges and picks/mattocks is so incomplete as to be unusable for calculating a margin. Accordingly, notwithstanding section 782(e) of the Act, as described below, pursuant to 776(a) of the Act, we are using the facts available to determine FMEC's margins with respect to all four classes or kinds or merchandise.

Use of Adverse Facts Available

In accordance with section 776(a)(2)(A) of the Act, we have determined that FMEC's failure to respond to the Department's supplemental questionnaire warrants the use of facts available. Moreover, FMEC's failure to make any attempt to respond to the Department's supplemental questionnaire and its intentional withdrawal from this review, supports our determination that FMEC did not act to the best of its ability to comply with requests for information. Therefore, pursuant to section 776(b) of the Act, we preliminarily determine that FMEC is not entitled to a separate rate and will be subject to the PRC country-wide rates, which are based on adverse facts available. For further details, see the *Separate Rates Determination*, and the *Adverse Facts Available and the Country-Wide Rates* sections of this notice below.

Shandong Huarong

Failure to Provide Requested Information

Pursuant to requests for review by Shandong Huarong and the petitioner, the Department requested that Shandong Huarong provide sales and factors of production information regarding its sales of axes/adzes, bars/wedges, hammers/sledges, and picks/mattocks. In its section A questionnaire response, Shandong Huarong stated that although it sold axes within the scope of the antidumping duty order, it ''does not have access to the required information to participate in the review on axes.'' Shandong Huarong never provided the Department with any sales or factors of production information with respect to its sales of axes. Moreover, Shandong Huarong never explained why it did not have access to information regarding axes.

We issued to Shandong Huarong a supplemental questionnaire notifying Shandong Huarong of the deficiencies in its submissions and providing it with an opportunity to remedy these deficiencies. *See* the letter to Shandong Huarong, dated November 19, 1999, transmitting the supplemental questionnaire. Shandong Huarong failed to correct these deficiencies. After reviewing the record in this review, we have determined that the information submitted by Shandong Huarong regarding axes/adzes is so incomplete as to be unusable for calculating a margin. Accordingly, notwithstanding section 782(e) of the Act, as described below, pursuant to 776(a) of the Act, we are using the facts available to determine Shandong Huarong's margins with respect to axes/adzes.

Use of Adverse Facts Available

As noted above, the record in this review shows that Shandong Huarong did not provide sales and factors of production information regarding its sales of axes/adzes. Although Shandong Huarong stated that it did not have access to this information, it never explained why this was the case. Therefore, pursuant to section 776(a)(2)(A) of the Act, we have relied upon facts available in reaching our preliminary results with respect to Shandong Huarong's sales of axes. Moreover, the fact that Shandong Huarong provided no evidence that it ever attempted to obtain from its suppliers any factors of production information regarding axes/adzes, supports our determination that Shandong Huarong did not act to the best of its ability to report information regarding axes/adzes. Therefore, pursuant to section 776(b) of the Act, we have used an adverse inference in selecting a facts available margin with respect to HFHT sales by Shandong Huarong within the axes/adzes class of kind of merchandise. Specifically, we have based Shandong Huarong's preliminary margin for axes/adzes on the highest margin from this or any prior segment of this proceeding. *See Ferro Union*.

Corroboration

Section 776(c) of the Act provides that when the Department selects from among the facts otherwise available and relies on ''secondary information,'' the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The Statement of Administrative Action (SAA) (H.R. Doc. 103–316 (2nd Sess. 1994) states that ''corroborate'' means to determine that the information used has probative value. *See* SAA at *870.* To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. However, unlike other types of information, such as input costs or selling expenses, there are no independent sources for calculated dumping margins. The only source for margins is administrative determinations. Thus, in an administrative review, if the Department chooses as total adverse facts available a calculated dumping margin from a prior segment of the proceeding, it is not necessary to question the reliability of the margin for that time period. *See Grain-Oriented Electrical Steel From Italy; Preliminary Results of*

Antidumping Duty Administrative Review, 61 FR 36551, 36552 (July 11, 1996). With respect to the relevance aspect of corroboration, however, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Where circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin. For example, in *Fresh Cut Flowers from Mexico: Final Results of Antidumping Administrative Review*, 61 FR 6812 (February 22, 1996), the Department disregarded the highest margin in that case as adverse best information available (the predecessor to facts available) because the margin was based on another company's uncharacteristic business expense resulting in an unusually high margin. Similarly, the Department does not apply a margin that has been discredited. *See D & L Supply Co.* v. *United States*, 113 F.3d 1220, 1221 (Fed. Cir. 1997) (the Department will not use a margin that has been judicially invalidated); *see also Borden Inc.* v. *United States*, 4 F Supp 2d 1221, 1246–48 (CIT 1998) (the Department may not use an uncorroborated petition margin that is high when compared to calculated margins for the period of review). None of these unusual circumstances are present here. Accordingly, for each class or kind of HFHTs for which we have resorted to adverse facts available, we have used the highest margin from this or any prior segment of the proceeding as the margin for these preliminary results because there is no evidence on the record indicating that such margins are not appropriate as adverse facts available.

Separate Rates Determination

To establish whether a company operating in a non-market economy (''NME'') is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity under the test established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (''*Sparklers*''), as amplified by the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (''*Silicon Carbide*''). Under this test, NMEs are entitled to separate, company-specific margins when they can demonstrate an absence of government control, both in law and in fact, with respect to export activities. Evidence supporting, though not requiring, a finding of de jure absence of government control over export activities includes: (1) an absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies. De facto absence of government control over exports is based on four factors: (1) whether each exporter sets its own export prices independent of the government and without the approval of a government authority; (2) whether each exporter retains the proceeds from its sales and makes independent decisions regarding the disposition of profits or financing of losses; (3) whether each exporter has the authority to negotiate and sign contracts and other agreements; and (4) whether each exporter has autonomy from the government regarding the selection of management. *See, Silicon Carbide*, 59 FR at 22587 and *Sparklers,* 56 FR at 20589.

In the final results of the 1997–1998 reviews of HFHTs, the Department granted separate rates to Shandong Huarong, LMC, and TMC. *See Heavy Forged Hand Tools From the People's Republic of China; Final Results and Partial Recission of Antidumping Duty Administrative Reviews*, 64 FR 43659 (August 11, 1999) (''*Hand Tools*''). While these three companies received separate rates in several previous segments of these proceedings, it is the Department's policy to evaluate separate rates questionnaire responses each time a respondent makes a separate rates claim, regardless of any separate rate the respondent received in the past. *See Manganese Metal From the People's Republic of China, Final Results and Partial Recission of Antidumping Duty Administrative Review*, 63 FR 12441 (March 13, 1998). In the instant reviews, these companies submitted complete responses to the separate rates section of the Department's questionnaire. The evidence submitted in these reviews by Shandong Huarong, LMC, and TMC included government laws and regulations on corporate ownership, business licences, and narrative information regarding the companies' operations and selection of management. This evidence is consistent with the Department's findings in previous reviews and supports a finding that control of companies in the PRC has been decentralized and that the respondent companies' operations are, in fact, autonomous from the PRC government. We therefore preliminarily determine that these companies continue to be entitled to separate rates.

With respect to FMEC, since it terminated its participation in this review and we were not able to verify the information the company submitted, we preliminarily determine that FMEC did not establish its entitlement to a separate rate.

SMC failed verification in the 1997–1998 administrative review and did not establish its entitlement to a separate rate in that review. *See Hand Tools* at 64 FR 43659. Although, as noted above, we were unable to verify SMC's U.S. sales information, in this review we were able to verify SMC's separate rates information. At the verification of SMC, we examined SMC's complete separate rates questionnaire response including provincial government documents regarding SMC's relationship with the PRC government, SMC's export licence, and records regarding SMC's owners, management selection process, price setting practices, disposition of corporate profits, and use of foreign currency receipts. We found no evidence of de facto government control. *See SMC Sales Verification Report.* Thus, based on this finding and record evidence of no de jure government control of export activities, we preliminarily determine that SMC is entitled to a separate rate.

Adverse Facts Available and the Country-Wide Rates

The Department has determined that the use of facts available is appropriate for purposes of establishing the country-wide rate for these preliminary results of reviews, pursuant to section 776(a)(2)(B) of the Act. The Act provides that the administering authority shall use facts otherwise available when an interested party ''fails to provide such information by the deadlines for the submission of the information or in the form and manner requested.'' On April 19, 1999, the Department sent a questionnaire to the Ministry of Foreign Trade and Economic Cooperation (''MOFTEC'') in order to collect information relevant to the calculation of the PRC-wide rate. MOFTEC did not respond to our questionnaire.

Section 776(b) of the Act authorizes the Department to use adverse facts available whenever it finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with the Department's requests for information. Because MOFTEC did not respond to our questionnaire or direct us to send the questionnaire to any other party, and because FMEC

terminated its participation in this review, we determine that the PRC-wide entity did not cooperate to the best of its ability with our requests for information. Because of the failure of MOFTEC to respond to our questionnaire and FMEC's failure to respond fully to our questionnaire, we lack data necessary to calculate a PRC-wide rate. Therefore, pursuant to section 776(b) of the Act, we are relying on adverse facts available to determine the margin for the PRC-wide entity, which includes FMEC. As outlined in section 776(b) of the Act, adverse facts available may include reliance on information derived from: (1) the petition; (2) a final determination in the investigation; (3) any previous review under section 751 of the Act or determination under section 753 of the Act; or (4) any other information placed on the record. When applicable, for each segment of these proceedings we have used as adverse facts available for the PRC-wide rate the highest rate from the current or previous segments of these proceedings. The PRC-wide rates from the most recently completed review are the highest rates from any segment of these proceedings for bars/wedges (47.88 percent) and hammers/sledges (27.71 percent). The calculated rates from these current reviews are the highest rates from any segment of these proceedings for axes/adzes (51.52 percent) and picks/mattocks (138.78 percent). As noted under the *Corroboration* section above, we have determined that these margins are appropriate to use as adverse facts available.

Export Price

In accordance with section 772(a) of the Act, the Department calculated an export price (''EP'') for sales to the United States because the first sale was made before the date of importation and the use of constructed export price was not otherwise warranted. When appropriate, we made deductions from the selling price to unaffiliated parties for ocean freight, marine insurance, foreign brokerage and handling, and foreign inland freight. Each of these services, with one exception, was either provided by a NME vendor or paid for using a NME currency. Thus, we based the deduction for these movement charges on surrogate values (see the discussion regarding companies located in NME countries and the Department's selection of a surrogate country in the *Normal Value* section of this notice). The one exception referred to above concerns TMC and LMC, which reported that a market economy vendor provided ocean freight for a small portion of their U.S. sales and that they paid for this service using a market economy currency. Therefore, for these sales, we used the reported market economy ocean freight expense in calculating EP.

For TMC's and LMC's other sales, and for the other respondents, we valued ocean freight using the official tariff rates published for hand tools by the Federal Maritime Commission. When possible, we used the rates for 20 and 40 foot container shipments between the ports reported in the respondents' Bills of Lading. If port-specific rates were not available, we used the regional rates calculated in the *Final Determination of Sales at Less Than Fair Value: Brake Drums and Brake Rotors From the People's Republic of China,* 62 FR 9160 (February 28, 1997) (''*Brake Drums and Brake Rotors*''). In order to use these rates in our calculations, it was necessary to convert the per-container rates into per-metric ton rates by dividing the container rate by 18 metric tons. This conversion factor was used in the two most recently completed reviews of HFHTs. We valued marine insurance using the rate in effect in India which was reported in the public version of the questionnaire response placed on the record in *Stainless Steel Wire Rod From India; Final Results of Administrative Review,* 63 FR 48184 (September 9, 1998) (''*India Wire Rod*''). We valued foreign brokerage and handling using the rate reported in the questionnaire response in *India Wire Rod*. The sources used to value foreign inland freight are identified below in the *Normal Value* section of this notice.

To account for inflation or deflation between the time period that the freight, brokerage, and insurance rates were in effect and the POR, we adjusted the rates using the wholesale price indices (''WPI'') for India as published in the International Monetary Fund's (''IMF'') publication, *International Financial Statistics.* For further discussion of the surrogate values used in these reviews, see *Memorandum From the Team Regarding Surrogate Values Used for the Preliminary Results of the Eighth Administrative Reviews of Certain Heavy Forged Hand Tools From the People's Republic of China,* (February 28, 2000), (''*Surrogate Value Memorandum*''), which is on file in the CRU–Public File.

Normal Value

For exports from NMEs, section 773(c)(1) of the Act provides that the Department shall determine NV using a factors of production methodology if (1) the subject merchandise is exported from an NME country, and (2) available information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value. Section 351.408 of the Department's regulations sets forth the Department's methodology for calculating the NV of merchandise from NME countries. In every case conducted by the Department involving the PRC, the PRC has been treated as an NME. Since none of the parties to these proceedings contested such treatment in these reviews, we calculated NV in accordance with section 773(c) of the Act and section 351.408 of the Department's regulations.

In accordance with section 773(c)(3) of the Act, the factors of production (''FOP'') utilized in producing HFHTs [2] include, but are not limited to: (A) hours of labor required; (B) quantities of raw materials employed; (C) amounts of energy and other utilities consumed; and (D) representative capital costs, including depreciation. In accordance with section 773(c)(4) of the Act, the Department valued the FOP, to the extent possible, using the costs of the FOP in a market economy that is (A) at a level of economic development comparable to the PRC, and (B) a significant producer of comparable merchandise. We determined that India is comparable to the PRC in terms of per capita gross national product, the growth rate in per capita income, and the national distribution of labor. Furthermore, India is a significant producer of comparable merchandise. For further discussion of the Department's selection of India as the surrogate country, *see* the *Memorandum From Jeff May, Director, Office of Policy, to Thomas Futtner, Acting Office Director, AD/CVD Enforcement Group II,* dated December 8, 1999, which is on file in the CRU–Public File.

In accordance with section 773(c)(1) of the Act, for purposes of calculating NV, when possible, we valued FOP using surrogate values that were in effect during the POR. Surrogate values that were in effect during periods other than the POR were adjusted, as appropriate, to account for inflation or deflation between the effective period and the POR. We calculated the inflation or deflation adjustments for all factor values, except labor, using the wholesale price indices for India that were reported in the IMF's publication, *International Financial Statistics*. We valued the FOP as follows:

(1) We valued direct materials used to produce HFHTs (i.e., steel, steel scrap, paint, and anti-rust oil) and the steel scrap generated from the production of

[2] We adjusted the reported factors based on verification findings, *see* Calculation Memo.

HFHTs using the rupee per metric ton or rupee per kilogram value of imports that entered India during the period February through August 1998 as published in the *Monthly Statistics of the Foreign Trade of India,* Volume II—Imports (''Indian Import Statistics'').

(2) We valued labor using a regression-based wage rate, in accordance with 19 CFR 351.408(c)(3). This rate is identified on the Import Administration's web site (*See* www.ita.doc.gov/import__admin/records/).

(3) We derived ratios for factory overhead, selling, general and administrative (''SG&A'') expenses, and profit using information reported for 1992–1993 in the January 1997 *Reserve Bank of India Bulletin.* From this information, we were able to calculate factory overhead as a percentage of direct materials, labor, and energy expenses; SG&A expenses as a percentage of the total cost of manufacturing; and profit as a percentage of the sum of the total cost of manufacturing and SG&A expenses.

(4) We valued packing materials, including cartons, pallets, iron straps, anti-damp paper, anti-rust paper, plastic strips, iron knots, plastic bags, iron wire, and metal clips, using the rupee per metric ton or rupee per kilogram value of imports that entered India during the period February through August 1998 as published in *Indian Import Statistics.* We valued hessian cloth (a packing material) using the rupee per kilogram value of imports that entered India during the period April through July 1998 as published in *Indian Import Statistics.*

(5) We valued coal using the price of steam coal in India in 1996 as reported in the International Energy Agency's publication, *Energy Prices and Taxes,* Second Quarter 1999 (''*EPT*'').

(6) We valued electricity using the 1997 Indian electricity prices for industrial use as reported in *EPT*.

(7) We used the following sources to value truck and rail freight services incurred to transport direct materials, packing materials, and coal from the suppliers of the inputs to the factories producing HFHTs:

Truck Freight: If a respondent used its own trucks to transport material or subject merchandise, we valued freight services using the average cost of operating a truck, which we calculated from information published in *The Times of India* on April 24, 1994. If a respondent did not use its own trucks or the respondent did not state that it used its own trucks, we valued freight services using the rates reported in an August 1993 cable from the U.S. Embassy in India to the Department. *See Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers from the People's Republic of China,* 58 FR 48833 (September 20, 1993).

Rail Freight: We valued rail freight services using the April, 1995 rates published by the Indian Railway Conference Association. These rates were used in *Brake Drums and Brake Rotors.* For further discussion of the surrogate values used in these reviews, *see Surrogate Value Memorandum,* dated February 28, 2000, which is on file in the CRU-Public File.

Preliminary Results of the Reviews

As a result of our reviews, we preliminarily determine that the following margins exist for the period February 1, 1998 through January 31, 1999:

Manufacturer/exporter	Margin (percent)
Shandong Huarong General Group Corporation:	
Axes/Adzes	51.52
Bars/Wedges	27.29
Liaoning Machinery Import & Export Corporation: Bars/Wedges	20.23
Tianjin Machinery Import & Export Corporation:	
Axes/Adzes	51.52
Bars/Wedges	43.99
Hammers/Sledges	26.38
Picks/Mattocks	138.78
Shandong Machinery Import & Export Corporation:	
Axes/Adzes	51.52
Bars/Wedges	47.88
Hammers/Sledges	27.71
Picks/Mattocks	138.78
PRC-wide rates:	
Axes/Adzes	51.52
Bars/Wedges	47.88
Hammers/Sledges	27.71
Picks/Mattocks	138.78

Parties to the proceeding may request disclosure within 10 days of the date of announcement of these preliminary results, in accordance with 19 CFR 351.224. Any interested party may request a hearing within 30 days of publication of this notice, in accordance with 19 CFR 351.310(c). Any hearing, if requested, will be held 37 days after the publication of this notice, or the first workday thereafter. Interested parties may submit written comments (case briefs) within 30 days of the date of publication of this notice, in accordance with 19 CFR 351.309(c)(1)(ii). Rebuttal comments (rebuttal briefs), which must be limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication of this notice. The Department will publish a notice of the final results of these administrative reviews, which will include the results of its analysis of issues raised by the parties, within 120 days of publication of these preliminary results.

The final results of these reviews shall be the basis for the assessment of antidumping duties on entries of merchandise covered by these reviews and for future deposits of estimated duties.

Duty Assessment Rates

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), we have calculated importer-specific ad valorem duty assessment rates based on the ratio of the total amount of the dumping margins calculated for the examined sales to the total entered value of those same sales. In order to estimate the entered value, we subtracted international movement expenses from the gross sales value. For those respondents or classes or kinds of merchandise with margins based on facts available, we based the importer-specific assessment rates on the facts available margin percentages. These importer-specific rates will be assessed uniformly on all entries of each importer that were made during the POR. In accordance with 19 CFR 351.106(c)(2), we will instruct the Customs Service to liquidate without regard to antidumping duties any entries for which the assessment rate is de minimis, i.e., less than 0.5 percent. The Department will issue appraisement instructions directly to the Customs Service.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the final results of these administrative reviews for all shipments of HFHTs from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date of this notice, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rates for the reviewed companies named above which have separate rates (Shandong Huarong, LMC, SMC and TMC) will be the rates for those firms established in the final results of these administrative reviews for the classes or kinds of merchandise listed above; (2) for any previously reviewed PRC or non-PRC exporter with a separate rate, the cash deposit rates will be the company-specific rates established for the most recent period; (3) for all other PRC exporters, the cash deposit rates will be the PRC-wide rates established in the

final results of these reviews; and (4) the cash deposit rates for non-PRC exporters of subject merchandise from the PRC will be the rates applicable to the PRC supplier of that exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative reviews.

Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under section 351.402(f)(2) of the Department's regulations 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.

We are issuing and publishing this determination in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: February 28, 2000.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–810]

Stainless Steel Bar From India; Preliminary Results of Antidumping Duty Administrative Review and New Shipper Review and Partial Rescission of Administrative Review

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

ACTION: Notice of preliminary results of 1998–1999 administrative review and new shipper review and partial rescission of administrative review of stainless steel bar from India.

SUMMARY: In response to requests from interested parties, the Department of Commerce is conducting an administrative review of the antidumping duty order on stainless steel bar from India with respect to the following companies: Chandan Steel Ltd., Ferro Alloys Corporation Limited, Isibars Limited, Panchmahal Steel Limited, Sindia Steels Limited, Venus Wire Industries Limited, and Viraj Impoexpo Ltd. In response to a request from Meltroll Engineering Pvt., Ltd., the Department of Commerce is conducting a new shipper review of the antidumping duty order on stainless steel bar from India. These reviews cover sales of stainless steel bar to the United States during the period February 1, 1998, through January 31, 1999.

We have preliminarily determined that, during the period of review, Ferro Alloys Corporation Limited, Isibars Limited, Panchmahal Steel Limited, Sindia Steels Limited, and Viraj Impoexpo Ltd. made sales below normal value and that Chandan Steel Ltd., and Meltroll Engineering Pvt., Ltd., and Venus Wire Industries Limited did not make sales below normal value. If these preliminary results are adopted in our final results of administrative review and new shipper review, we will instruct the Customs Service to assess antidumping duties equal to the difference between the export price and the normal value.

Interested parties are invited to comment on these preliminary results. Parties who submit argument are also requested to submit (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: March 8, 2000.

FOR FURTHER INFORMATION CONTACT: Zak Smith, James Breeden, or Melani Miller, Office 1, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482–0189, (202) 482–1174, and (202) 482–0116, respectively.

SUPPLEMENTAL INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (''the Act''), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (''URAA''). In addition, all references to the Department of Commerce's (''the Department's'') regulations are to 19 CFR Part 351 (April 1998).

Background

On February 21, 1995, the Department published in the **Federal Register** (60 FR 9661) the antidumping duty order on stainless steel bar from India. The Department notified interested parties of the opportunity to request an administrative review of this order on February 11, 1999 (64 FR 6878). On February 26, 1999, the Department received requests from the petitioners [1] and five respondents to conduct an administrative review. Thus, in accordance with 19 CFR 351.221(b)(1), we published (64 FR 14860) a notice of initiation of this antidumping duty administrative review on March 29, 1999, with respect to Bhansali Bright Bars Pvt. Ltd. (''Bhansali''), Chandan Steel Ltd. (''Chandan''), Ferro Alloys Corporation Limited (''Facor''), Isibars Limited (''Isibars''), Jyoti Steel Industries (''Jyoti''), Madhya Pradesh Iron & Steel Company (''Madhya Pradesh''), Panchmahal Steel Limited (''Panchmahal''), Parekh Bright Bars Pvt. Ltd. (''Parekh''), Shah Alloys Ltd. (''Shah''), Sindia Steel Limited (''Sindia''), Venus Wire Industries Ltd. (''Venus''), and Viraj Impoexpo Ltd. (''Viraj''). The review covers the period February 1, 1998, through January 31, 1999.

On February 26, 1999, Meltroll Engineering Pvt. Ltd. (''Meltroll'') requested that we conduct a new shipper review. We published the notice of initiation for this new shipper review on April 15, 1999 (64 FR 18601). This new shipper review covers the same period as the administrative review and, pursuant to section 751(a) of the Act and 19 CFR 351.214(j)(3), is being conducted concurrently with the administrative review.

During May and June, 1999, Bhansali, Jyoti, and Shah reported no shipments of the subject merchandise to the United States during the period of review (''POR'') that were not already covered by a previous segment of this proceeding. We independently confirmed with the Customs Service that there were no entries from these companies. Therefore, in accordance with 19 CFR 351.213(d)(3), we are preliminarily rescinding the review with respect to these companies. Furthermore, on June 7, 1999, Madhya Pradesh withdrew its request for review. Madhya Pradesh's request was timely and no other interested party requested a review of the company. Therefore, in accordance with 19 CFR 351.213(d)(1), we are rescinding the review of Madhya Pradesh.

On August 17, 1999, the Department initiated sales below cost investigations of Isibars and Panchmahal. On January 18, 2000, the Department initiated a sales below cost investigation of Venus. On February 14, 2000, the Department initiated a sales below cost investigation of Sindia. Sales below cost analyses of

[1] Al Tech Specialty Steel Corp., Carpenter Technology Corp., Republic Engineered Steels, Slater Steels Corp., and Talley Metals Technology, Inc.