final results of review. See the analysis memorandum from the analyst to the file dated September 17, 2002, for a detailed description of the changes we made to correct NTN's margin calculation. On September 9, 2002, Torrington submitted an allegation that there was a typographical error in the draft liquidation instructions we had prepared for merchandise NTN had exported during the period of review. We agree with Torrington and have corrected the error in our liquidation instructions reflecting these amended final results of review.

Amended Final Results of Review

As a result of the correction of ministerial errors, the following weighted-average margins exist for exports of ball bearings by Koyo and NTN for the period May 1, 2000, through April 30, 2001:

Company	Margin (percent)
Koyo Seiko Co., Ltd.	7.68
NTN Corporation	9.34

The Department will determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. We will issue appropriate assessment instructions directly to the Customs Service within 15 days of publication of these amended final results of review.

We will also direct the Customs Service to collect cash deposits of estimated antidumping duties on all appropriate entries in accordance with the procedures discussed in the *Final Results* and at the rates as amended by this determination. The amended deposit requirements are effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice and shall remain in effect until publication of the final results of the next administrative review.

We are issuing and publishing these determinations and notice in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: October 3, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02–26113 Filed 10–11–02; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–874]

Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Certain Ball Bearings and Parts Thereof from the People's Republic of China

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

ACTION: Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination.

EFFECTIVE DATE: October 15, 2002.

FOR FURTHER INFORMATION CONTACT: James Terpstra or Cindy Lai Robinson, AD/CVD Enforcement, Office 6, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–3965, and (202) 482–3797, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

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, unless otherwise indicated, all citations to the Department of Commerce's (the Department) regulations are to the regulations codified at 19 CFR part 351 (2001).

Preliminary Determination

We preliminarily determine that ball bearings and parts thereof (ball bearings) from the People's Republic of China (PRC) are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the ''Suspension of Liquidation'' section of this notice.

Case History

This investigation was initiated on March 25, 2002. *See Notice of Initiation of Antidumping Duty Investigation: Certain Ball Bearings and Parts Thereof From the People's Republic of China*, 67 FR 15787 (April 3, 2002) (*Initiation Notice*).[1] Since the initiation of the investigation, the following events have occurred.

On April 10, 2002, the Department requested the PRC's Ministry of Foreign Trade and Economic Cooperation (MOFTEC) to distribute a mini-section A questionnaire to the top 10 exporters and/or producers, based on their export sales volume or value, who manufactured and exported subject merchandise to the United States, or who manufactured the subject merchandise that was exported to the United States through an another company, during the period of investigation (POI). We received no reply to this letter from MOFTEC.

Between April 16 and April 25, 2002, we received mini-section A responses from 21 producers and exporters of ball bearings in the PRC.

On April 26, 2002, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured by reason of ball bearings imports from the PRC. *See Ball Bearings From China*, 67 FR 22449 (May 3, 2002).

On May 6, 2002, pursuant to section 777A(c) of the Act, the Department determined that, due to the large number of exporters/producers of the subject merchandise, it would limit the number of mandatory respondents in this investigation. *See* ''Respondent Selection'' section below.

On May 7, 2002, the Department issued its antidumping questionnaire[2] to MOFTEC. The Department requested that MOFTEC send the questionnaire to Xinchang Peer Bearing Company Ltd. (Peer) and Wanxiang Group Corporation (Wanxiang), the two mandatory respondent companies selected by the Department. In addition, the Department also sent a separate memorandum to MOFTEC concerning those producers and exporters who submitted a complete response to section A of the questionnaire and whether they may be considered for treatment other than inclusion under the rate applicable to the government-controlled enterprise. *See Memorandum from James Terpstra to Melissa Skinner*

[1] The petitioner in this case is the American Bearing Manufacturers Association (ABMA).

[2] Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country market (this section is not applicable to respondents in non-market economy (NME) cases). Section C requests a complete listing of U.S. sales. Section D requests information on the factors of production (FOP) of the subject merchandise under investigation. Section E requests information on further manufacturing.

Re: Selection of Respondents (respondent selection memo), dated May 6, 2002, on file in the Central Records Unit (CRU) located in Room B–099, main Commerce Building. Also *see* the ''Margins for Exporters Whose Responses Were Not Analyzed'' section below.

On May 7, May 13, and May 14, 2002, we received comments from respondents and petitioner urging the Department to select additional mandatory respondents. Based on these comments, on May 15, 2002, the Department added an additional mandatory respondent, Ningbo Cixing Group Corp. and its U.S. affiliate, CW Bearings USA, Inc. (collectively, ''Cixing'').

On April 22, April 23, and May 28, 2002, the Department received scope inquiries from the following parties: Caterpillar Inc., Nippon Pillow Block Sales Company Limited, Nippon Pillow Block Manufacturing Company Limited and FYH Bearing Units USA, Inc. (collectively, ''NPBS''), the ABMA, and Wanxiang. *See* the ''Scope Clarification'' section below.

The Department received responses to sections A, C, D, and E, where applicable, from the three mandatory respondents on June 13, July 11, and July 15, 2002. In addition, 45 exporters submitted section A responses. The Department issued supplemental questionnaires to all three mandatory respondents and the 45 exporters that submitted section A responses in July and August, where appropriate. The supplemental responses were received in August and September.

On July 16, 2002, the petitioner made a request pursuant to 19 CFR 351.205(e) for a 50–day postponement of the preliminary determination, pursuant to section 733(c)(1)(A) of the Act. On July 26, 2002, pursuant to section 733(c)(1)(B) of the Act, the Department postponed the preliminary determination of this investigation 50 days, from August 12, 2002, to October 1, 2002. *See Certain Ball Bearings and Parts Thereof from the People's Republic of China: Notice of Extension of Preliminary Antidumping Duty Determination*, 67 FR 48878 (July 26, 2002).

On September 13, 2002, we received untimely section A responses from Fuzhou YongShunDa Machinery & Electrical Co. Ltd., Fuzhou Yongdong Xinxing Machinery & Hardware Co. Ltd., and Fuzhou Fujia Machinery & Electrical Mfg. Co. Ltd. Due to the fact that these responses were submitted in an untimely manner, we returned them to the submitters. *See* September 30, 2002, letter from James Terpstra to Fuzhou YongShunDa, et. al.

The petitioner and the three mandatory respondents submitted their comments on factors of production in September 2002.

Postponement of the Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for an extension of the provisional measures from a four-month period to not more than six months.

On September 20, 2002, the three mandatory respondents requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until 135 days after the publication of the preliminary determination. Accordingly, since we have made an affirmative preliminary determination, and the parties requesting postponement account for a significant proportion of exports of the subject merchandise, we have postponed the final determination until not later than 135 days after the date of the publication of the preliminary determination and are extending the provisional measures accordingly.

Scope of Investigation

The scope of the investigation includes all antifriction bearings, regardless of size, precision grade or use, that employ balls as the rolling element (whether ground or unground) and parts thereof (inner ring, outer ring, cage, balls, seals, shields, *etc.*) that are produced in China. Imports of these products are classified under the following categories: antifriction balls, ball bearings with integral shafts and parts thereof, ball bearings (including thrust, angular contact, and radial ball bearings) and parts thereof, and housed or mounted ball bearing units and parts thereof. The scope includes ball bearing type pillow blocks and parts thereof; and wheel hub units incorporating balls as the rolling element. With regard to finished parts, all such parts are included in the scope of the petition. With regard to unfinished parts, such parts are included if (1) they have been heat-treated, or (2) heat treatment is not required to be performed on the part. Thus, the only unfinished parts that are not covered by the petition are those that will be subject to heat treatment after importation.

Imports of these products are classified under the following Harmonized Tariff Schedules of the United States (HTSUS) subheadings:

3926.90.45, 4016.93.00, 4016.93.10, 4016.93.50, 6909.19.5010, 8431.20.00, 8431.39.0010, 8482.10.10, 8482.10.50, 8482.80.00, 8482.91.00, 8482.99.05, 8482.99.2580, 8482.99.35, 8482.99.6595, 8483.20.40, 8483.20.80, 8483.30.40, 8483.30.80, 8483.50.90, 8483.90.20, 8483.90.30, 8483.90.70, 8708.50.50, 8708.60.50, 8708.60.80, 8708.70.6060, 8708.93.30, 8708.93.6000, 8708.93.75, 8708.99.06, 8708.99.31, 8708.99.4000, 8708.99.4960, 8708.99.5800, 8708.99.8080, 8803.10.00, 8803.20.00, 8803.30.00, 8803.90.30, and 8803.90.90.

Specifically excluded from the scope are unfinished parts that are subject to heat treatment after importation. Also excluded from the scope are cylindrical roller bearings, mounted or unmounted, and parts thereof (CRB) and spherical plain bearings, mounted and unmounted, and parts thereof (SPB). CRB products include all antifriction bearings that employ cylindrical rollers as the rolling element. SPB products include all spherical plain bearings that employ a spherically shaped sliding element and include spherical plain rod ends. Although the HTSUS subheadings are provided for convenience and U.S. Customs Service (Customs) purposes, the written description of the merchandise under investigation is dispositive.

Scope Clarification

On April 22, 2002, Caterpillar Inc. requested that XLS (English) series ball bearings and pin-lock slot XLS (English) series ball bearings having an inside diameter of between 1 3/4 inches and 5 1/2 inches be excluded from the scope of the investigation. Caterpillar Inc. also claimed that there is an insufficient domestic supply of XLS series ball bearings and parts. On May 6, 2002, the petitioner responded that these bearings are within the scope. Petitioner also contends that at least four domestic producers manufacture and sell XLS series ball bearings in the U.S. market, and, therefore, there is not an insufficient domestic supply of XLS series ball bearings.

On April 23, 2002, NPBS requested that the Department clarify whether

split pillow block housings and non-split pillow block housings, which are imported separately from ball bearings, are excluded from the scope of the investigation. On May 6, 2002, petitioner stated that non-split pillow blocks, even when imported separately, are used primarily as a housing for ball bearings, and are rightly included in the scope.

On May 28, 2002, Wanxiang, one of the three mandatory respondents, requested guidance as to whether the language in the scope stating that the investigation covers ''wheel hub units incorporating balls as the rolling element'' also includes wheel hub units that do not contain ball bearings or any other type of rolling element at the time of importation. Wanxiang pointed out that every HTSUS subheading in the scope as applicable to subject wheel hub units describes articles either directly as ''bearings'' or indirectly as ''incorporating ball bearings.'' In addition, Wanxiang claimed that the empty wheel hub units that it produces are designed to be used with either ball bearings or tapered roller bearings. On May 29 and May 30, 2002, petitioner stated that both complete wheel hub units incorporating balls as the rolling element and empty wheel hub units capable of incorporating balls as the rolling elements are covered by the investigation.

The scope of the investigation includes all antifriction bearings, regardless of size, precision grade or use. Therefore, XLS (English) series ball bearings and pin-lock slot XLS (English) series ball bearings are clearly within the scope.

With respect to NPBS's request for clarification of whether split pillow block housings and non-split pillow block housings that are imported separately from ball bearings are excluded from the scope of this investigation, the Department previously determined in *Final Determinations of Sales at Less Than Fair Value: Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from the Republic of Germany*, 54 FR 18992, 19015 (May 3, 1989) (*Antifriction Bearings*). to exclude split pillow block housings (not containing antifriction bearings) from the order. The Department stated that pillow block housings were not mentioned in the petition, and based on the factual information available, determined that pillow block housings are not bearings, do not contain bearings, and are not parts or subassemblies of bearings. *See id*. Therefore, consistent with that determination and the facts of this investigation, we find that split pillow block housings (not containing antifriction bearings) are excluded from the scope of this investigation. However, the scope of the current investigation includes ball bearing type pillow blocks and parts thereof. Thus, non-split pillow blocks, even when imported separately, are included in the scope.

The scope covers all antifriction bearings that employ balls as the rolling element (whether ground or unground) and parts thereof. Wheel hub units are designed to use either ball bearings or tapered roller bearings. Empty wheel units that are designed to employ balls as the rolling elements have characteristic raceways that are dedicated to ball bearings. Therefore, for purposes of the preliminary determination, empty wheel hub units are included in the scope. However, we will address this issue further to determine whether the empty wheel hub units produced by Wanxiang use balls or tapered roller bearings interchangeably.

Period of Investigation

The POI is July 1, 2001, through December 31, 2001. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (i.e., February 2002). See 19 CFR 351.204(b)(1).

Respondent Selection

The Department determined that the resources available to it for this investigation limited its ability to analyze any more than the responses of the three largest exporters/producers of the subject merchandise in this investigation. Based on mini-section A questionnaire responses, the Department originally selected the two largest exporters, Peer and Wanxiang, to be the mandatory respondents in this proceeding. (*See* the respondent selection memo.) On May 7, May 13, and May 14, 2002, we received comments from respondents and petitioner urging the Department to select additional mandatory respondents. Subsequently, based on these comments, on May 15, 2002, the Department added a third mandatory respondent, Cixing. (See May 15, 2002, Letter to Cixing from James Terpstra on file in the CRU.)

Nonmarket Economy Country Status

The Department has treated the PRC as a nonmarket economy (NME) country in previous antidumping investigations (*see, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Bulk Aspirin From the People's Republic of China*, 65 FR 33805 (May 25, 2000); *Notice of Final Determination of Sales at Less Than Fair Value: Certain Non-Frozen Apple Juice Concentrate from the People's Republic of China*, 65 FR 19873 (April 13, 2000); and the *Notice of Final Determination of Sales at Less Than Fair Value Certain: Hot-Rolled Carbon Steel Flat Products from the People's Republic of China*, 66 FR 49632 (September 28, 2001)). In accordance with section 771(18)(C) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked. No party to this investigation has sought revocation of the NME status of the PRC. Therefore, pursuant to section 771(18)(C) of the Act, the Department will continue to treat the PRC as an NME country.

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs the Department to base normal value (NV) on the NME producer's factors of production, valued in a comparable market economy that is a significant producer of comparable merchandise. *See* the ''Surrogate Country'' section below. The sources of individual factor prices are discussed under the ''Normal Value'' section below.

Separate Rates

In an NME proceeding, the Department presumes that all companies within the country are subject to governmental control and should be assigned a single antidumping duty rate unless the respondent demonstrates the absence of both *de jure* and *de facto* governmental control over its export activities. *See 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). Peer, Wanxiang, Cixing, and the cooperative nonselected exporters named in the ''Suspension of Liquidation'' section below have provided the requested company-specific separate rates information and have indicated that there is no element of government ownership or control over their operations. We have considered whether the mandatory respondents are eligible for a separate rate as discussed below.

The Department's separate-rates test is not concerned, in general, with macroeconomic/ border-type controls (*e.g.*, export licenses, quotas, and minimum export prices), particularly if these controls are imposed to prevent dumping. Rather, the test focuses on controls over the export-related investment, pricing, and output decision-making process at the individual firm level. *See Notice of*

Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From Ukraine, 62 FR 61754, 61757 (November 19, 1997); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 61276, 61279 (November 17, 1997); and *Notice of Preliminary Determination of Sales at Less Than Fair Value: Honey From the People's Republic of China*, 60 FR 14725, 14726 (March 20, 1995).

To establish whether a firm is sufficiently independent from government control to be entitled to a separate rate, the Department analyzes each exporting entity under a test arising out of the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991), as modified in 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, the Department assigns separate rates in NME cases only if an exporter can demonstrate the absence of both *de jure* and *de facto* governmental control over its export activities. *See Silicon Carbide* and the *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22545 (May 8, 1995) (*Furfuryl Alcohol*).

1. *Absence of De Jure Control*

The Department considers the following de jure criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with an 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.

The mandatory respondents have placed on the record a number of documents to demonstrate the absence of de jure control, including their business licenses, and the ''Company Law of the People's Republic of China.'' Other than limiting the mandatory respondents' operations to the activities referenced in the respective licenses, we noted no restrictive stipulations associated with these licenses. In addition, in previous cases, the Department has analyzed the ''Company Law of the People's Republic of China'' and found that it establishes an absence of de jure control. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Certain Partial-Extension Steel Drawer Slides with Rollers from the People's Republic of China*, 60 FR 54472, 54474 (October 24, 1995); and *Furfuryl Alcohol*. We have no information in this proceeding which would cause us to reconsider this determination. Therefore, based on the foregoing, we have preliminarily found an absence of *de jure* control.

2. *Absence of De Facto Control*

The Department typically considers four factors in evaluating whether each respondent is subject to *de facto* governmental control of its export functions: (1) Whether the export prices are set by, or subject to, the approval of a governmental authority; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of its management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.With regard to the issue of *de facto* control, the mandatory respondents have reported the following: (1) There is no government participation in setting export prices; (2) its managers have authority to bind sales contracts; (3) it does not have to notify any government authorities of its management selection; and (4) there are no restrictions on the use of its export revenue and it is responsible for financing its own losses. Additionally, the mandatory respondents' questionnaire responses do not suggest that pricing is coordinated among exporters. Furthermore, our analysis of the mandatory respondents' questionnaire responses reveals no other information indicating governmental control of export activities. Therefore, based on the information provided, we preliminarily determine that there is an absence of *de facto* government control over the mandatory respondents' export functions. Consequently, we preliminarily determine that the mandatory respondents have met the criteria for the application of a separate rate.

Margins for Cooperative Exporters Not Selected

For those exporters: (1) who submitted a timely response to Section A of the Department's questionnaire, but were not selected as mandatory respondents, and (2) for whom the Section A response indicates that the exporter is eligible for a separate rate, we assigned a weighted-average of the rates of the fully analyzed companies excluding any rates that were zero, *de minimis* or based entirely on facts available. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Circular Welded Carbon-Quality Steel Pipe from the People's Republic of China*, 67 FR 36570 (May 24, 2002) (*Welded Steel Pipe*). Companies receiving this rate are identified by name in the ''Suspension of Liquidation'' section of this notice.

PRC-Wide Rate

In all NME cases, the Department makes a rebuttable presumption that all exporters located in the NME country comprise a single exporter under common government control, the ''NME entity.''

Section 776(a)(2) of the Act provides that, if an interested party withholds information that has been requested by the Department, fails to provide such information in a timely manner or in the form or manner requested, significantly impedes a proceeding under the antidumping statute, or provides information which cannot be verified, the Department shall use, subject to sections 782(d) and (e) of the Act, facts otherwise available in reaching the applicable determination. As explained above, MOFTEC and some exporters of the subject merchandise failed to respond to the Department's request for information. The failure of these exporters to respond also has significantly impeded this proceeding. Thus, pursuant to section 776(a) of the Act, in reaching our preliminary determination, we have based the PRC-wide rate on adverse facts available.

In applying facts otherwise available, section 776(b) of the Act provides that, if the Department 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,'' the Department may use information that is adverse to the interests of that party as facts otherwise available. Adverse inferences are appropriate ''to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.'' *See* Statement of Administrative Action (SAA) accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Session at 870 (1994). Furthermore, ''affirmative evidence of bad faith on the part of the respondent is not required before the Department may make an adverse inference.'' *See Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27340 (May 19, 1997). The complete failure of these exporters to respond to the Department's requests for information constitutes a failure to cooperate to the best of their ability.

An adverse inference may include reliance on information derived from the petition, the final determination in the investigation, any previous review, or any other information placed on the record. *See* section 776(b) of the Act. However, section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, the Department shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. The SAA states that the independent sources may include published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation or review. *See* SAA at 870. The SAA clarifies that ''corroborate'' means that the Department will satisfy itself that the secondary information to be used has probative value. *Id.* As noted in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), to corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used.

For our preliminary determination, as adverse facts available, we have used as the PRC-wide rate the highest recalculated dumping margin from the petition (*see* below). In the petition, for the normal value calculation, the petitioner based the factors of production, as defined by section 773(c)(3) of the Act, on the quantities of inputs used to produce four representative ball bearings (6201–2RS, 6201ZZ, 6203–2RS, and 6203ZZ) reported by one of its major member companies. The petitioner used the actual usage rates of a U.S. production facility in accordance with 19 CFR § 351.202(b)(7)(B) because information on actual usage rates of representative Chinese bearing producers is not reasonably available to the petitioner. The petitioner based export price (EP) on price lists and quotes of four representative sample products from Chinese distributors of Chinese ball bearings and U.S. distributors of Chinese ball bearings for the period October to December 2001. For further discussion, *see Initiation Notice*.

To corroborate the petitioner's EP calculations, we compared the prices in the petition to the average unit values from import statistics released by the Census Bureau. To corroborate the petitioner's NV calculations, we compared the petitioner's factor consumption and surrogate value data for those same four products to the data reported by the respondents for the most significant factors (steel, factory overhead, and selling, general, and administrative expenses), and the surrogate values for these factors in the petition to the values selected for the preliminary determination, as discussed below.

Our analysis shows that, with the exception of the steel value, the petitioner's data was either reasonably close to the data submitted by the respondents and the surrogate values chosen by the Department, or conservative. For the steel value we found that the information in the petition did not have probative value. In valuing the steel input, petitioner relied on an Indian Harmonized Tariff Schedule (HTS) category for finished bearing parts, not unfinished steel used to produce bearings parts. Petitioner alleged that this value was conservative because it was lower than the actual purchase price of these components by certain U.S. producers. In contrast to this assertion, the record of this case is abundantly clear that ball bearing manufacturers in the PRC purchase unfinished steel to make finished bearing parts. The steel value used by petitioner is significantly higher than the value we are using in our calculations. Thus, we find that this information has no probative value regarding the normal value of the subject merchandise. Therefore, we recalculated the petition margins using other steel factor values on the record. The recalculated petition margins range from 6.00 to 59.30 percent. For a more detailed discussion, see *Memorandum From David Salkeld to James Terpstra Re: Corroboration of Secondary Information* dated October 1, 2002, on file in the CRU.

Fair Value Comparison

To determine whether the mandatory respondents' sales of ball bearings to customers in the United States were made at LTFV, we compared EP or constructed export price (CEP), as appropriate, to NV, calculated using our NME methodology, as described in the ''Export Price and Constructed Export Price'' and ''Normal Value'' sections of this notice below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs or CEPs.

Export Price and Constructed Export Price

During the POI, of the three mandatory respondents, Peer and Wanxiang made only CEP sales, while Cixing made both EP and CEP sales during the POI. In accordance with section 772(a) of the Act, for Cixing, we used EP where the subject merchandise was sold directly to unaffiliated customers in the United States prior to importation. As explained below, for Peer, Wanxiang, and Cixing, we used CEP, where appropriate.

We calculated EP in accordance with section 772(a) of the Act. Specifically, we calculated Cixing's EP based on the FOB, CIF, or C&F prices charged to the first unaffiliated customer for exportation to the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight, brokerage and handling, international freight, domestic inland insurance, and marine insurance. Where foreign inland freight, marine insurance, domestic inland insurance, and brokerage and handling were provided by NME companies, we used surrogate values from India to value these expenses (*see* Factors of Production Valuation Memorandum dated October 1, 2002, on file in the CRU).

For Peer, Wanxiang, and Cixing, where appropriate, we used CEP in accordance with section 772(b) of the Act, because the first sales to unaffiliated purchasers were made after importation. We calculated CEP based on packed prices from the U.S. affiliate's warehouse to the first unaffiliated purchaser in the United States. We made the following deductions from the starting price (gross unit price), where applicable: discounts and rebates, foreign inland freight and brokerage and handling, international (ocean) freight, marine insurance, U.S. customs duty, U.S. brokerage and handling expenses, and U.S. movement expenses. In accordance with section 772(d)(1) of the Act, we deducted from CEP direct and indirect selling expenses (*i.e.*, commissions, credit and indirect selling expenses) that were associated with the respondents' economic activities occurring in the United States. For Peer, we also deducted further manufacturing and re-packing costs. See sections 772(c) and (d) of the Act.

To calculate foreign inland freight expenses, we multiplied the reported distance from the plant to the port of exit by a surrogate rail or truck rate from India. Because U.S. customs duty, brokerage and handling expenses, credit expenses, and selling expenses are

market-economy costs incurred in U.S. dollars, we used actual costs rather than surrogate values for these deductions to gross unit price.

Normal Value

1. Surrogate Country

Section 773(c)(4) of the Act requires that the Department value the NME producers' factors of production, to the extent possible, on the prices or costs of factors of production 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 Department's Office of Policy initially identified five countries that are at a level of economic development comparable to the PRC in terms of per capita GNP and the national distribution of labor. Those countries are India, Pakistan, Indonesia, Sri Lanka and the Philippines (*see* the June 13, 2002, memorandum from Jeffrey May to Melissa Skinner). According to the information available on the record, we have determined that India meets the statutory requirements for an appropriate surrogate country for the PRC and is the largest producer, among the countries listed above, of like merchandise. In addition, for most factors of production, India has quantifiable, contemporaneous, and publicly available data. Therefore, for purposes of the preliminary determination, we have selected India as the surrogate country, based on the quality and contemporaneity of the currently available data. Accordingly, we have calculated NV using Indian values for the PRC producers' factors of production, except, as noted below, in certain instances where an input was sourced from a market economy and paid for in a market economy currency. We have obtained and relied upon publicly available information wherever possible.

2. Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by the companies in the PRC who produced ball bearings for the exporters who sold ball bearings to the United States during the POI. Factors of production 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. *See* section 773(c) of the Act. To calculate NV, the reported unit factor quantities were multiplied by publicly available Indian values, where possible.

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the surrogate values. For those values not contemporaneous with the POI, we adjusted the values to account for inflation using wholesale price indices published in the International Monetary Fund's *International Financial Statistics*. As appropriate, we included freight costs in input prices to make them delivered prices. Specifically, we added to the surrogate values 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. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp.* v. *United States*, 117 F. 3d 1401 (Fed. Cir. 1997).

We valued material inputs and packing materials (including steel bar, steel tube, steel balls, steel sheets, steel plates, grease, paper boxes, plastic bags, tape, and pallets) using values from the appropriate Harmonized Tariff Schedule (HTS) number for contemporaneous Indian imports statistics reported in the Indian Import Statistics. In accordance with the Department's practice, we used export values to calculate NV when import values for like products were not available. *See Sebacic Acid from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 64 FR 69503 (December 13, 1999).

Certain producers in this investigation purchased material inputs from market economy suppliers and paid for the inputs with market economy currency. In accordance with 19 CFR 351.408(c)(1), we generally valued these material inputs using the actual price reported. However, consistent with Department practice concerning subsidized inputs, we have not used the actual prices paid by PRC producers of material inputs which we have reason to believe or suspect are subsidized. Instead, we have relied on surrogate values. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from the People's Republic of China: Preliminary Results of 2000–2001 Administrative Review, Partial Rescission of Review, and Notice of Intent to Revoke Order In Part* (*TRB Review*), 67 FR 45451, 45454 (July 9, 2002). See also Calculation Memoranda for Peer, Wanxiang, and Cixing, on file in the CRU, dated October 1, 2002, for further discussion of company-specific issues.

As appropriate, for these imported materials, we calculated PRC brokerage and inland freight from the port to the factory using surrogate rates from India. We valued the remaining factors using publicly available information from India. Where a producer did not report the distance between the material supplier and the factory, as facts available, we used either the distance to the nearest seaport (if an import value was used as the surrogate value for the factor) or the farthest distance reported for a supplier, as facts available.

In addition, certain producers used market economy carriers to ship subject merchandise to the United States. Because the majority of their shipments were provided by market economy entities and the entities were paid in market economy currencies, we applied the market economy price for these transactions to calculate all ocean freight expenses, in accordance with 19 CFR 351.408(a)(1).

We valued labor based on a regression-based wage rate, in accordance with 19 CFR 351.408(c)(3).

To value electricity, we calculated our surrogate value for electricity based on electricity rate data from the *Energy Data Directory & Yearbook (1999/2000)* published by Tata Energy Research Institute.

To value truck freight rates, we used a collection of seventeen November 1999 price quotes from six different Indian trucking companies which were obtained by the Department in India and used in the *Final Determination of Sales at Less than Fair Value: Bulk Aspirin from the People's Republic of China*, 65 FR 33805 (May 25, 2000). We valued rail freight using the average of two November 1999 rail freight price quotes for domestic bearing quality steel shipments within India. These quotes were obtained by the Department from two Indian rail freight transporters. *See id. See also, TRB Review*, 67 FR at 45454–5.

We based our calculation of selling, general and administrative (SG&A) expenses, overhead, and profit on the 2001 annual reports of five Indian bearings producers.

For a complete analysis of surrogate values used in the preliminary determination, *see* the Factors of Production Valuation Memorandum.

Verification

In accordance with section 782(i) of the Act, we intend to verify all information relied upon in making our final determination.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the U.S. Customs Service (Customs Service) to suspend liquidation of all entries of ball

bearings from the PRC, that are entered, or withdrawn from warehouse, for consumption, on or after the date on which this notice is published in the **Federal Register**. In addition, we are instructing the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP or CEP, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

We determine that the following percentage weighted-average margins exist for the POI:

Manufacturer/exporter	Weighted-Average Margin (percent)
Xinchang Peer Bearing Company Ltd	2.39
Wanxiang Group Corporation	39.93
CW Bearings USA, Inc. and Ningbo Cixing Group Corp.	32.69
B&R Bearing Co.	22.99
Changshan Import & Export Company, Ltd.	22.99
Changzhou Daya Import and Export Corporation Limited	22.99
China Huanchi Bearing Group Corp. AND Ningbo Huanchi Import & Export Co. Ltd.	22.99
China National Automobile Industry Guizhou Import & Export Corp.	22.99
China National Machinery & Equipment Import & Export Wuxi Co., Ltd.	22.99
Chongqing Changjiang Bearing Industrial Corporation	22.99
CSC Bearing Company Limited	22.99
Dongguan TR Bearing Corporation, Ltd.	22.99
Fujian Nanan Fushan Hardware Machinery Electric Co., Ltd.	22.99
Guangdong Agricultural Machinery Import & Export Company	22.99
Harbin Bearing Group AND Heilongjiang Machinery and Equipment Import and Export Corporation	22.99
Jiangsu CTD Imports & Exports Co., Ltd.	22.99
Jiangsu General Ball & Roller Co., Ltd.	22.99
Jiangsu Hongye Intl. Group Industrial Development Co., Ltd.	22.99
Jinrun Group Ltd. Haining	22.99
Ningbo Cixi Import Export Co.	22.99
Ningbo Economic and Technological Development Zone AND Tiansheng Bearing Co. Ltd AND TSB Group USA Inc. AND TSB Bearing Group America, Co. (TSB Group)	22.99
Ningbo General Bearing Co., Ltd.	22.99
Ningbo Jinpeng Bearing Co., Ltd. AND Ningbo Mikasa Bearing Co. Ltd. AND Ningbo Cizhuang Bearing Co. Tahsleh Development Zone	22.99
Ningbo MOS Group Corporation, Ltd.	22.99
Norin Optech Co., Ltd.	22.99
Premier Bearing & Equipment, Ltd.	22.99
Sapporo Precision Inc./Shanghai Precision Bearing Co., Ltd.	22.99
Shaanxi Machinery & Equipment Import & Export Corp.	22.99
Shandong Machinery Import & Export Group Corp.	22.99
Shanghai Bearing (Group) Company Limited	22.99
Shanghai Foreign Service and Economic Cooperation Co. Ltd.	22.99
Shanghai General Pudong Bearing Co., Ltd.	22.99
Shanghai Hydraulics & Pneumatics Corp.	22.99
Shanghai Nanshi Foreign Economic Cooperation & Trading Co., Ltd.	22.99
Shanghai SNZ Bearings Co., Ltd.	22.99
Shanghai Zhong Ding I/E Trading Co., Ltd. AND Shanghai Li Chen Bearings	22.99
Shaoguan Southeast Bearing Co. Ltd.	22.99
Sin NanHwa Bearings Co. Ltd. AND Sin NanHwa Co. Ltd.	22.99
TC Bearing Manufacturing Co. Ltd.	22.99
Wafangdian Bearing Company Ltd.	22.99
Wholelucks Industrial Limited	22.99
Wuxi New-way Machinery Co., Ltd.	22.99
Zhejiang Rolling Bearing Co. Ltd.	22.99
Zhejiang Shenlong Bearing Co. Ltd.	22.99
Zhejiang Wanbang Industrial Co., Ltd.	22.99
Zhejiang Xinchang Xinzhou Industrial Co. Ltd.	22.99
Zhejiang Xinchun Bearing Co. Ltd.	22.99
Zhejiang ZITIC Import & Export Co. Ltd.	22.99
PRC-Wide Rate	59.30

Disclosure

In accordance with 19 CFR 351.224(b), the Department will disclose the calculations performed in the preliminary determination to interested parties within five days of the date of publication of this notice.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of the Department's preliminary affirmative determination. If the final determination in this proceeding is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of ball bearings from the PRC are materially injuring, or threaten material injury to, the U.S. industry.

Public Comment

In accordance with 19 CFR 351.301(c)(3)(i), interested parties may submit publicly available information to value the factors of production for purposes of the final determination

within 30 days after the date of publication of this preliminary determination. Case briefs or other written comments must be submitted to the Assistant Secretary for Import Administration no later than one week after issuance of the verification report. Rebuttal briefs, whose content is limited to the issues raised in the case briefs, must be filed within five days after the deadline for the submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, we request that parties submitting briefs and rebuttal briefs provide the Department with a copy of the public version of such briefs on diskette.

In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. If a request for a hearing is made, we will tentatively hold the hearing two days after the deadline for submission of rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. Parties should confirm by telephone the date, time, and location of the hearing 48 hours before the scheduled date.

Interested parties who wish to request a hearing, or to participate in a hearing if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the date of publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. At the hearing, oral presentations will be limited to issues raised in the briefs. *See* 19 CFR 351.310(c). The Department will make its final determination no later than 135 days after the date of publication of this preliminary determination.

This determination is issued and published in accordance with sections 733(d) and 777(i)(1) of the Act.

Dated: October 1, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02–26114 Filed 10–11–02; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–839]

Polyester Staple Fiber from Korea: Final Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Final Results of Antidumping Duty Administrative Review.

SUMMARY: On June 7, 2002, the Department of Commerce published the preliminary results of the administrative review of the antidumping duty order on polyester staple fiber from Korea. The period of review is November 8, 1999, through April 30, 2001. We gave interested parties an opportunity to comment on the preliminary results. Based on our analysis of the comments received and an examination of our calculations, we have made certain changes for the final results. The final weighted-average dumping margins for the seven manufacturer/exporters are listed below in the ''Final Results of the Review'' section of this notice.

EFFECTIVE DATE: October 15, 2002.

FOR FURTHER INFORMATION CONTACT: Andrew McAllister or Jarrod Goldfeder, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–1174, or (202) 482–0189, respectively.

SUPPLEMENTARY INFORMATION:

The 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. In addition, unless otherwise indicated, all citations to the Department of Commerce's (''the Department'') regulations are to 19 CFR part 351 (April 2001).

Background

Since the publication of the preliminary results in this review (*see Certain Polyester Staple Fiber from Korea: Preliminary Results of Antidumping Duty Administrative Review*, 67 FR 39350 (June 7, 2002) (''*Preliminary Results*'')), the following events have occurred:

We invited parties to comment on the preliminary results of the review. On July 17, 2002, E.I. DuPont de Nemours, Inc., Arteva Specialties S.a.r.l., d/b/a KoSa, Wellman, Inc., and Intercontinental Polymers, Inc., (collectively ''the petitioners''), and Estal Industry Co., Ltd. (''Estal''), Keon Baek Co., Ltd. (''Keon Baek''), Mijung Ind., Co., Ltd. (''Mijung''), Sam Young Synthetics Co., Ltd. (''SamYoung''), Stein Fibers, Ltd. (''Stein Fibers''), and Sunglim Co., Ltd. (''Sunglim'') filed case briefs. On July 24, 2002, the above-mentioned parties and Huvis Corporation (''Huvis'') filed rebuttal briefs.

Scope of the Order

For the purposes of this order, the product covered is certain polyester staple fiber (''PSF''). PSF is defined as synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The merchandise subject to this order may be coated, usually with a silicon or other finish, or not coated. PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise of less than 3.3 decitex (less than 3 denier) currently classifiable under the *Harmonized Tariff Schedule of the United States* (''HTSUS'') at subheading 5503.20.00.20 is specifically excluded from this order. Also specifically excluded from this order are polyester staple fibers of 10 to 18 denier that are cut to lengths of 6 to 8 inches (fibers used in the manufacture of carpeting). In addition, low-melt PSF is excluded from this order. Low-melt PSF is defined as a bi-component fiber with an outer sheath that melts at a significantly lower temperature than its inner core.

The merchandise subject to this order is currently classifiable in the HTSUS at subheadings 5503.20.00.45 and 5503.20.00.65.[1] Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under order is dispositive.

Period of Review

The period of review (''POR'') is November 8, 1999, through April 30, 2001.

Fair Value Comparisons

To determine whether sales of PSF from Korea to the United States were

[1] These HTSUS numbers have been revised to reflect changes in the HTSUS numbers at the suffix level.