

entered value was reported. For OceanInvest's U.S. sales reported without entered values, we calculated importer-specific per-unit duty assessment rates by aggregating the total amount of antidumping duties calculated for the examined sales and dividing this amount by the total quantity of those sales. To determine whether the duty assessment rates are *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer-specific ad valorem ratios based on the estimated entered value.

For Promarisco, because it reported the entered value of all of its U.S. sales, we have calculated the importer-specific ad valorem duty assessment rate based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of the examined sales for that importer. As discussed in the Memorandum to the File dated September 5, 2007, entitled "Supplementary Discussion of Promarisco Issues in Final Results," we have calculated a single importer-specific assessment rate for Promarisco, consistent with our practice in *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and Singapore: Final Results of the Antidumping Administrative Reviews, Rescission of Administrative Review in part, and Determination Not to Revoke Order in Part*, 68 FR 35623 (June 16, 2003), and accompanying Issues and Decision Memorandum at Comment 9B; and *Notice of Final Results of Antidumping Duty Administrative Review and Notice of Final Results of Antidumping Duty Changed Circumstances Review: Certain Softwood Lumber Products From Canada*, 69 FR 75921 (December 20, 2004), and accompanying Issues and Decision Memorandum at Comment 13.

For the responsive companies which were not selected for individual review, we have calculated an assessment rate based on the weighted average of the cash deposit rates calculated for the companies selected for individual review excluding any which are *de minimis* or determined entirely on AFA.

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rate is above *de minimis* (i.e., at or above 0.50 percent). Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (i.e., less than 0.50 percent).

The Department clarified its "automatic assessment" regulation on

May 6, 2003. See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003). This clarification will apply to entries of subject merchandise during the POR produced by companies included in these final results of review for which the reviewed companies did not know their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.

#### Discontinuation of Cash Deposit Requirements

Pursuant to the *Implementation of the Findings of the WTO Panel in United States – Antidumping Measure on Shrimp from Ecuador: Notice of Determination Under Section 129 of the Uruguay Round Agreements Act and Revocation of the Antidumping Duty Order on Frozen Warmwater Shrimp from Ecuador*, 72 FR 48257 (August 23, 2007), effective August 15, 2007, we have revoked the antidumping duty order on frozen warmwater shrimp from Ecuador. Accordingly, we will instruct CBP to discontinue collection of cash deposits of antidumping duties on entries of the subject merchandise.

#### Notification to Importers

This notice serves as a final reminder to importers of their responsibility, under 19 CFR 351.402(f)(2), 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.

#### Notification to Interested Parties

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these final results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221.

Dated: September 5, 2007.

**David M. Spooner,**  
Assistant Secretary for Import Administration.

#### Appendix – Issues in Decision Memorandum

##### General Issues

1. "Zeroing" Methodology in Administrative Reviews

##### Company-Specific Issues

2. Treatment of Sales and Certain Costs of Promarisco Geviche Products
3. Third-Country Market Selection for Promarisco
4. Treatment of Certain Promarisco U.S. Sales
5. Allocation of Certain Promarisco Processing Costs
6. OceanInvest's Reported COP Methodology
7. CV Profit Rates for OceanInvest's Value-Added and Non-Value-Added Products
8. Treatment of OceanInvest's Commission Expenses

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-822]

#### Helical Spring Lock Washers From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review

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

**SUMMARY:** The Department of Commerce ("Department") is conducting an administrative review of the antidumping duty order on helical spring lock washers ("HSLWs") from the People's Republic of China ("PRC") covering the period October 1, 2005, through September 30, 2006. We have preliminarily determined that sales have not been made below normal value ("NV") by Hangzhou Spring Washer Co., Ltd. ("HSW") (also known as Zhejiang Wanxin Group Co., Ltd.). If these preliminary results are adopted in our final results of this review, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries of subject merchandise during the period of review ("POR").

Interested parties are invited to comment on these preliminary results. We intend to issue the final results no later than 120 days from the date of publication of this notice, pursuant to

section 751(a)(3)(A) of the Tariff Act of 1930, as amended (“Act”).

**EFFECTIVE DATE:** September 12, 2007.

**FOR FURTHER INFORMATION CONTACT:** Marin Weaver or Charles Riggle at, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–2336 or (202) 482–0650, respectively.

### Background

On October 19, 1993, the Department published the antidumping duty order on certain HSLWs from the PRC, as amended on November 23, 1993. See *Antidumping Duty Order: Certain Helical Spring Lock Washers From the People’s Republic of China*, 58 FR 53914 (October 19, 1993), and *Amended Final Determination and Amended Antidumping Duty Order: Certain Helical Spring Lock Washers From the People’s Republic of China*, 58 FR 61859 (November 23, 1993). On October 2, 2006, the Department published a notice of opportunity to request an administrative review of this order. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 57920 (October 2, 2006). In accordance with 19 CFR 351.213(b)(1) and (2), the following requests were made: (1) On October 25, 2006, HSW, a producer and exporter of subject merchandise, requested that the Department conduct an administrative review of HSW; (2) on October 30, 2006, Shakeproof Assembly Components Division of Illinois Tool Works, Inc. (“Shakeproof” or “Petitioner”), a domestic interested party, requested that the Department conduct an administrative review of HSW.

On November 27, 2006, the Department published the initiation of the administrative review of the antidumping duty order on HSLWs from the PRC covering the period October 1, 2005, through September 30, 2006. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 71 FR 68535 (November 27, 2006). The Department issued an antidumping duty questionnaire to HSW on December 26, 2006.

The Department informed interested parties that surrogate value information, submitted by April 19, 2007, would be considered for the preliminary results and requested parties provide surrogate country selection comments by April 7, 2007. See Letter from Charles Riggle, Program Manager, AD/CVD Operations,

Office 8, to Interested Parties, regarding surrogate factors of production (“FOP”) values (February 9, 2007); and Letter from Charles Riggle, Program Manager, AD/CVD Operations, Office 8, to Interested Parties, regarding surrogate country selection (February 9, 2007). On April 19, 2007, HSW and Petitioner provided comments on publicly available information to value the FOP. Neither of the interested parties provided comments on the selection of a surrogate country. On May 25 and July 24, 2007, HSW provided additional comments on publicly available information to value the FOP.

On June 6, 2007, the Department published a notice in the **Federal Register** extending the time limit for the preliminary results of review until September 4, 2007. See *Certain Helical Spring Lock Washers from the People’s Republic of China: Notice of Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 72 FR 31278 (June 6, 2007).

### Verification of Responses

As provided in section 782(i) of the Act, we verified information provided by HSW. The Department conducted the sales and FOP verification using standard verification procedures at HSW’s facilities in Hangzhou, Zhejiang Province from June 11 through 15, 2007. Our verification results are outlined in the Memorandum to the File from Marin Weaver and Jennifer Moats, International Trade Compliance Analysts, Re: Verification of the Sales and Factors Response of Hangzhou Spring Washer Co., Ltd. in the Antidumping Duty Review of Certain Helical Spring Lock Washers from the People’s Republic of China (August 28, 2007) (“Verification Report”). Any changes made as a result of verification have been identified in our Memorandum to the File from Marin Weaver, International Trade Compliance Analyst, Re: Calculation of Preliminary Margin for Hangzhou Spring Washer Plant, also known as Zhejiang Wanxin Group Co., Ltd. (September 4, 2007) (“Calculation Memo”).

### Period of Review

The POR is October 1, 2005, through September 30, 2006.

### Scope of the Order

The products covered by the order are HSLWs of carbon steel, of carbon alloy steel, or of stainless steel, heat-treated or non-heat-treated, plated or non-plated, with ends that are off-line. HSLWs are designed to: (1) Function as a spring to compensate for developed looseness

between the component parts of a fastened assembly; (2) distribute the load over a larger area for screws or bolts; and (3) provide a hardened bearing surface. The scope does not include internal or external tooth washers, nor does it include spring lock washers made of other metals, such as copper.

HSLWs subject to the order are currently classifiable under subheading 7318.21.0030 of the *Harmonized Tariff Schedule of the United States* (“HTSUS”). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

### Non-Market Economy Country Status

HSW did not contest the Department’s treatment of the PRC as a non-market economy (“NME”), and the Department has treated the PRC as an NME country in all past antidumping duty investigations and administrative reviews and continues to do so in this case. See, e.g., *Honey from the People’s Republic of China: Final Results and Final Rescission, In Part, of Antidumping Duty Administrative Review*, 71 FR 34893 (June 16, 2006); and *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People’s Republic of China*, 71 FR 29303 (May 22, 2006) (“Sawblades”). No interested party in this case has argued that we should do otherwise. Designation as an NME country remains in effect until it is revoked by the Department. See section 771(18)(C)(i) of the Act.

### Surrogate Country

Section 773(c)(1) of the Act directs the Department to base NV on the NME producer’s FOP, valued in a surrogate market economy country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOP, the Department shall use, to the extent possible, the prices or costs of the FOP 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 has determined that India, Indonesia, Sri Lanka, the Philippines and Egypt are countries comparable to the PRC in terms of economic development. See Memorandum from Ron Lorentzen Director, Office of Policy, to Wendy Frankel, Director, AD/CVD

Enforcement, Office 8, Re: Administrative Review of Certain Helical Spring Lock Washers from the People's Republic of China; Request for a List of Surrogate Countries (December 21, 2006) ("Surrogate Country Memorandum"). Customarily, we select an appropriate surrogate country from the Surrogate Country Memorandum based on the availability and reliability of data from the countries that are significant producers of comparable merchandise. In this case, we have found that India is a significant producer of comparable merchandise. See Memorandum to Wendy Frankel, Director, AD/CVD Operations, Office 8, from Marin Weaver, International Trade Compliance Analyst, Re: Administrative Review of Certain Helical Spring Lock Washers from the People's Republic of China: Selection of a Surrogate Country (September 4, 2007) ("Surrogate Country Selection Memorandum").

The Department used India as the primary surrogate country and, accordingly, has calculated NV using Indian prices to value the PRC producer's FOP, when available and appropriate. See Surrogate Country Selection Memorandum, and Memorandum to Wendy Frankel from Marin Weaver, International Trade Compliance Analyst, Re: Preliminary Results of the 2005–2006 Administrative Review of Certain Helical Spring Lock Washers from the People's Republic of China: Factors-of-Production Valuation for Preliminary Results ("FOP Memo") (September 4, 2007). We have obtained and relied upon publicly available information wherever possible. The sources of the surrogate factor values are discussed under the "Normal Value" section, below, and in the FOP Memo.

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

#### Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty deposit rate. It is the Department's standard policy to assign all exporters of merchandise subject to review in an NME country a single rate unless an exporter can demonstrate an absence of government control, with respect to exports. To establish whether

an exporter is sufficiently independent of government control to be entitled to a separate rate, the Department analyzes the exporter in light of the criteria 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 in *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, exporters in NME countries are entitled to separate, company-specific margins when they can demonstrate an absence of government control over exports, both in law (*de jure*) and in fact (*de facto*). Evidence supporting, though not requiring, a finding of absence of *de jure* 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. Absence of *de facto* government control over exports is based on four factors: (1) Whether each exporter sets its own export prices independently 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 the 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 May 1999, HSW was sold to five individuals and became a limited liability company. HSW has placed on the record documents to demonstrate the absence of *de jure* control and the Department took further documentation at verification. These documents included its list of shareholders, business license, Company Law, and Public Sales Agreement. Other than limiting HSW to activities referenced in the business license, we found no restrictive stipulations associated with the license. In addition, in previous cases the Department has analyzed the Company Law and found that it establishes an absence of *de jure* control. See, e.g. *Sawblades*, 71 FR 29303, and accompanying Issues and Decision Memorandum at Comment 9. We have no information in this segment

of the proceeding which would cause us to reconsider this determination. Therefore, based on the foregoing, we have preliminarily found an absence of *de jure* control for HSW.

With regard to *de facto* control, HSW reported the following: (1) It sets prices to the United States through negotiations with customers and these prices are not subject to review by any government organization; (2) the PRC government does not coordinate the export activities of HSW; (3) HSW's general manager and deputy general manager have the authority to contractually bind the company to sell subject merchandise; (4) the board of directors has appointed the general manager, and the other managers are appointed either by the board of directors or the general manager; (5) there is no restriction on its use of export revenues; (6) HSW's management decides how to dispose of the profits. Additionally, HSW's questionnaire responses do not suggest that pricing is coordinated among exporters nor does it reveal other information indicating government control of export activities. Furthermore, we did not find any evidence at verification indicating government control of export activities or that pricing is coordinated among exporters. See Verification Report. Therefore, based on the information provided, we preliminarily determine that there is an absence of *de facto* government control over HSW's export functions.

In the instant administrative review, we find an absence of government control, both in law and in fact, with respect to HSW's export activities according to the criteria identified in *Sparklers* and an absence of government control with respect to the additional criteria identified in *Silicon Carbide*. Therefore, we have assigned HSW a separate rate.

#### Date of Sale

19 CFR 351.401(i) states that, in identifying the date of sale of the subject merchandise or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter's or producer's records kept in the normal course of business. However, the Department may use a date other than the date of invoice if the Department is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale. See 19 CFR 351.401(i); see also *Allied Tube and Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090–1093 (CIT 2001).

After examining the questionnaire responses and the sales documentation

that HSW placed on the record, we preliminarily determine that the invoice date is the most appropriate date of sale, except where the shipment date precedes the invoice date for export price ("EP") sales. We made this determination based on record evidence which demonstrates that HSW's invoices establish the material terms of sale to the extent required by our regulations. We also determine that for EP sales, the terms of sale cannot be established after the date of shipment. Accordingly, where the shipment date precedes the invoice date, the Department considers the shipping date to be the date of sale. See *Preliminary Determination of Sales at Less Than Fair Value, Affirmative Critical Circumstances, In Part, and Postponement of Final Determination: Certain Lined Paper Products from the People's Republic of China*, 71 FR 19695 (April 17, 2006) (unchanged in the final determination).

#### Normal Value Comparisons

Section 773(c)(1) of the Act provides that, in the case of an NME, the Department shall determine NV using an FOP methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. The Department will base NV on the FOP because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under its normal methodologies. Therefore, we calculated NV based on FOP in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). To determine whether POR sales of HSLWs to the United States by HSW were made at less than NV, we compared EP to NV, as described below.

#### Export Price

Because HSW sold subject merchandise to unaffiliated purchasers in the United States prior to importation into the United States (or to unaffiliated resellers outside the United States with knowledge that the merchandise was destined for the United States) and use of a constructed export price methodology is not otherwise indicated, we have used EP in accordance with section 772(a) of the Act.

We calculated EP based on the free on board or delivered price, as appropriate, to unaffiliated purchasers for HSW. From this price, we deducted amounts for domestic movement expenses (*i.e.*, PRC inland freight), brokerage and

handling, and, where applicable, commissions, pursuant to section 772(c)(2)(A) of the Act. See Calculation Memo.

To value truck freight used in the inland freight calculation, we used the freight rates published by Indian Freight Exchange, available at <http://www.infreight.com>. The truck freight rates are from January to October 2005; therefore, we made adjustments for inflation using the Indian Wholesale Price Index as published in the International Financial Statistics of the International Monetary Fund. See FOP Memo.

The Department used two sources to calculate a surrogate value for domestic brokerage expenses: (1) Data from the January 9, 2006 public version of the Section C questionnaire response from Kejirwal Paper Ltd. ("Kejirwal");<sup>1</sup> and (2) data from Agro Dutch Industries Ltd. for the period of review February 1, 2004, through January 31, 2005 (see *Certain Preserved Mushrooms From India: Final Results of Antidumping Duty Administrative Review*, 70 FR 37757 (June 30, 2005) (unchanged in final results)). The Department adjusted these data for inflation and used a simple average of the data as its brokerage and handling surrogate value. See FOP Memo.

#### Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on FOP reported by HSW for the POR. In selecting the best available information for valuing FOP in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, publicly available surrogate values which are average non-export values, most contemporaneous with the POR, product-specific, and tax-exclusive. See, *e.g.*, *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004) (unchanged in the final determination). Where contemporaneous data were not available for the POR, we have inflated the surrogate values in the manner

<sup>1</sup>Kejirwal was a respondent in the certain lined paper products from India investigation for which the period of investigation was July 1, 2004, to June 30, 2005. See *Notice of Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances in Part: Certain Lined Paper Products From India*, 71 FR 19706 (April 17, 2006) (unchanged in final determination).

described in the FOP Memo. To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available Indian surrogate values. As appropriate, we added to Indian import surrogate values a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory of production or the distance from the nearest seaport to the factory of production, where appropriate. 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, 1407-1408 (Fed. Cir. 1997). For these preliminary results we have:

- Used data from the *Monthly Statistics of the Foreign Trade of India*, as published by the Directorate General of Commercial Intelligence and Statistics of the Ministry of Commerce and Industry, Government of India, and available from *World Trade Atlas* (disregarding import prices that we have reason to believe or suspect may be subsidized or are from an NME country) and *Chemical Weekly*, an Indian publication containing domestic (*i.e.*, Indian) prices for chemicals, to calculate surrogate values for HSW's material inputs and packing inputs;

- For all types of labor, consistent with 19 CFR 351.408(c)(3), used the PRC regression-based wage rates reflective of the observed relationship between wages and national income in market economy countries as reported on Import Administration's home page. See "Expected Wages of Selected NME Countries" (revised January 2007), available at <http://ia.ita.doc.gov/wages/index.html>;

- Valued electricity using the 2000 electricity price rates from *Key World Energy Statistics 2003*, published by the International Energy Agency, available at <http://www.eia.doe.gov/emeu/international/elecprti.html>;

- Valued water using data from the Maharashtra Industrial Development Corporation (<http://www.midcindia.org>) since it includes a wide range of industrial water tariffs;

- Determined the best available information for valuing truck freight to be from <http://www.infreight.com>, which is described in the "Export Price" section, above;

- Valued the cost of transporting materials by rail using the rates charged by Indian Railways, available at <http://www.indianrailways.gov.in>;

- Determined the best available information for valuing barge freight is Inland Waterways Authority of India as submitted by HSW on June 25, 2001, in

the 1999–2000 administrative review of HSLWs from the PRC;

- Valued factory overhead, selling, general, and administrative expenses, and profit, using Suchi Fasteners Private Ltd.'s financial statements for the year ended March 31, 2005. This company produces nuts and washers, including spring lock washers, which are identical to HSW's product lines.

For a more detailed discussion of our choices of Indian surrogate values, see FOP Memo.

### Currency Conversion

We converted all surrogate values denominated in rupees to U.S. dollars using the average daily exchange rate for the POR, which we calculated using the official daily exchange rates from the Department's Web site.<sup>2</sup>

### Application of Facts Available

Sections 776(a)(1) and (2) of the Act provide that the Department shall apply "facts otherwise available" if, *inter alia*, necessary information is not on the record or an interested party or any other person (A) Withholds information that has been requested, (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain the deficiency. If the party fails to remedy the deficiency within the applicable time limits and subject to section 782(e) of the Act, the Department may disregard all or part of the original and subsequent responses, as appropriate. Section 782(e) of the Act provides that the Department "shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all applicable requirements established by the administering authority" if the information is timely, can be verified, is not so incomplete that it cannot be used, and if the interested party acted to the best of its ability in providing the information. Where all of these conditions are met, the statute requires

the Department to use the information if it can do so without undue difficulties.

Section 776(b) of the Act further provides that the Department may use an adverse inference in applying the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. Section 776(b) of the Act also authorizes the Department to use as adverse facts available ("AFA") information derived from the petition, the final determination, a previous administrative review, or other information placed on the record.

For the reasons discussed below, we determine that, in accordance with sections 776(a)(2), 776(b) and 782(d) of the Act, the use of partial AFA is appropriate for the preliminary results for HSW.

#### 1. Application of Facts Available in Part

HSW reported one packing configuration for each product code in its May 25, 2007, response at Exhibit 7. At verification, in reviewing the sales traces, we noticed that while HSW had reported only one packing configuration per product code, the packing lists showed that a substantial number of sales observations used packing configurations different from those reported for their particular product type. See Verification Report. At verification we asked company officials if they had identified and reported instances when specialized packing configurations were used to pack the subject merchandise shipped to the United States. Company officials stated that they had only reported one packing configuration per product. We examined HSW's questionnaire and supplemental questionnaire responses with regard to packing, and none of the narration provided indicated that the company used multiple packing configurations for its products.

Therefore, we find that the application of facts available to the packing usage rates of those sales whose packing configuration we did not verify is warranted. First, HSW withheld from the Department the correct information regarding the packing of its HSLWs. Second, HSW failed to provide information within the deadlines established. Specifically, in this case the deadline for new factual information was March 20, 2007. See 19 CFR 351.301(b)(2). Furthermore, while information for minor corrections is accepted at the start of verification, HSW was reminded in the verification outline issued on June 1, 2007, that verification is not intended to be an opportunity for submission of new

factual information.<sup>3</sup> Third, because we discovered during the verification that multiple packing configurations were used, due to the statutory deadlines, it was not practicable to provide HSW the opportunity to remedy its incomplete reporting. Fourth, because HSW withheld packing configuration information related to its sales, we were unable to verify the packing usage rates for observations which used different packing configurations than the standard configurations reported by HSW. See Verification Report.

#### 2. Use of Adverse Inferences

We also find it appropriate to apply an adverse inference of facts available, pursuant to section 776(b) of the Act, to the packing usage rates of sales whose packing configuration we did not examine in the course of verification. As discussed above, in its questionnaire responses HSW did not inform us that it used multiple packing configurations for its HSLWs. We discovered this at verification. Furthermore, upon discovery, we questioned HSW about its configurations and company officials stated that one or two customers request specialized packing. However, while reviewing the sales traces, we found instances where sales to customers other than those named by company officials also used packing configurations which varied from the reported configuration. See Verification Report. Of the sampling of sales observations we examined, we found that a large percentage (measured by quantity) had used a packing configuration different from the reported standard configurations. See Verification Report. Therefore, as the use of different packing configurations was common company officials should have been aware of and should have notified the Department of these different configurations. At verification, company officials said that they felt it would have been too difficult to report the specialized packing configurations. See Verification Report. This statement shows that company officials were well aware that multiple packing configurations were used and chose not to inform the Department of this fact.

By not informing us in its questionnaire responses or in the minor corrections at verification that it used multiple packing configurations based on customer requests, HSW has not cooperated to the best of its ability. Therefore, an adverse inference is warranted under section 776(b) of the

<sup>3</sup> As discussed below, the packing configuration information in question was not presented to us by HSW at the start of verification or any other time. Rather, it was discovered during the course of verification.

<sup>2</sup> See <http://ia.ita.doc.gov/exchange/india.txt>.

Act. See, e.g., *Final Determination of Sales at Less Than Fair Value; Stainless Steel Sheet and Strip in Coils From Germany*, 64 FR 30710, 30724–30728, at Comment 3 (June 8, 1999); see also *Stainless Steel Sheet and Strip From Taiwan; Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 67 FR 6682 (February 13, 2002), and accompanying Issues and Decision Memorandum at Comment 24. Because HSW failed to cooperate to the best of its ability, we find it necessary to use an AFA, in part, with regard to the packing usage rates for the sales which we did not verify.

Specifically, the verification report contains a chart for those sales that we verified that used different packing configurations from the reported standard configuration, and lists the percentage difference between the actual configuration and the reported packing configuration. See Verification Report. We have taken a simple average of these percentage differences and used this to inflate the packing usage rates of all the sales we did not verify. See Calculation Memo. For those sales we verified that used different packing configurations than those used in the reported standard configuration, we have adjusted the packing rate by the actual percentage difference found. For those sales we verified which used the reported standard configuration, we made no adjustment to the reported packing usage rate.

#### Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margin exists:

Manufacturer/Exporter	Margin
Hangzhou Spring Washer Co. Ltd. (also known as Zhejiang Wanxin Group Co., Ltd.) .....	0.00

#### Disclosure

We will disclose the calculations used in our analysis to parties to this proceeding within five days of the publication date of this notice. See 19 CFR 351.224(b). Interested parties are invited to comment on the preliminary results and may submit case briefs and/or written comments within 30 days of the date of publication of this notice. See 19 CFR 351.309(c)(ii). Any interested party may request a hearing within 30 days of publication of this notice. See 19 CFR 351.310(c). Any hearing, if requested, will be held 42 days after the date of publication of this notice. See 19 CFR 351.310(d). Rebuttal

briefs, limited to issues raised in case briefs, should be filed no later than 35 days after the date of publication of this notice. See 19 CFR 351.309(d). The Department requests that parties submitting written comments also provide the Department with an additional copy of those comments on diskette. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such written briefs or at the hearing, if held, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department intends to issue appropriate assessment instructions directly to CBP 15 days after the date of publication of the final results of this administrative review. If these preliminary results are adopted in our final results of review, we will direct CBP to assess the resulting per-unit value or *ad valorem* rate against the entered customs value for the subject merchandise on each importer's/customer's entries during the POR.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) For HSW, which has a separate rate, the cash deposit rate will be the rate established in the final results of review (except, if the rate is zero or *de minimis*, zero cash deposit will be required); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that received a separate rate in a prior segment of this proceeding (which were not reviewed in this segment of the proceeding), the cash deposit rate will continue to be the exporter-specific rate; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 70.71 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

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

This preliminary results of review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: September 4, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E7-17989 Filed 9-11-07; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-851]

#### Certain Preserved Mushrooms From the People's Republic of China: Extension of Preliminary Results for Eleventh Antidumping Duty New Shipper Review

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

**EFFECTIVE DATE:** September 12, 2007.

**FOR FURTHER INFORMATION CONTACT:** Thomas Martin or Mark Manning, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3936 and (202) 482-5253, respectively.

**SUPPLEMENTARY INFORMATION:** On April 2, 2007, the Department published a notice of initiation of a new shipper review of the antidumping duty order on certain preserved mushrooms from the PRC, covering the period of review ("POR") February 1, 2006, to January 31, 2007, on Ayecue (Liaocheng) Foodstuff Co., Ltd. ("Ayecue"). See *Certain Preserved Mushrooms from the People's Republic of China: Initiation of New Shipper Antidumping Duty Review*, 72 FR 15657 (April 2, 2007).

#### Extension of Time Limit for Preliminary Results

Pursuant to section 751(a)(2)(B)(iv) of the Tariff Act of 1930, as amended ("the