

as AFA, the Department has selected 116.31 percent, the highest margin alleged in the petition, as revised in the Petitioner's supplemental responses, and the margin the Department used in the *Initiation Notice*.

### Corroboration

Section 776(c) of the Act provides that, when the Department relies on secondary information in using the facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. We have interpreted "corroborate" to mean that we will, examine the reliability and relevance of the information submitted. *See, e.g. Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil: Notice of Final Determination of Sales at Less Than Fair Value*, 65 FR 5554, 5568 (February 4, 2000). Because there are no mandatory respondents, to corroborate the 116.31 percent margin used as AFA for the Vietnam-wide entity, to the extent appropriate information was available, we revisited our pre-initiation analysis of the adequacy and accuracy of the information in the petition. *See* Antidumping Investigation Initiation Checklist: Uncovered Innersprings from the Socialist Republic of Vietnam ("Initiation Checklist") (January 22, 2008). We examined evidence supporting the calculations in the petition and the supplemental information provided by Petitioner prior to initiation to determine the probative value of the margins alleged in the petition. During our pre-initiation analysis, we examined the information used as the basis of export price and normal value ("NV") in the petition, and the calculations used to derive the alleged margins. Also during our pre-initiation analysis, we examined information from various independent sources provided either in the petition or, based on our requests, in supplements to the petition, which corroborated key elements of the export price and NV calculations. *See id.* We received no comments as to the relevance or probative value of this information. Therefore, the Department finds that the rates derived from the petition and used for purposes of initiation have probative value for the purpose of being selected as the AFA rate assigned to the Vietnam-wide entity.

### Preliminary Determination

The weighted-average dumping margin is as follows:

Manufacturer/exporter	Margin (percent)
Vietnam-Wide Rate .....	116.31

### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we are directing U.S. Customs and Border Protection ("CBP") to suspend liquidation of all entries of innersprings from Vietnam, as described in the "Scope of the Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average dumping margin indicated in the chart above. The suspension of liquidation will remain in effect until further notice.

### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of the Department's preliminary affirmative determination. Under section 735(b)(2) of the Act, if the Department's final determination is affirmative, the ITC will determine whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of the subject merchandise, or sales (or the likelihood of sales) for importation of the subject merchandise within 45 days of our final determination.

### Public Comment

Case briefs or other written comments on the preliminary determination may be submitted to the Assistant Secretary for Import Administration no later than 50 days after the date of publication of this preliminary determination. *See* 19 CFR 351.309(c)(1)(i). Rebuttal briefs, the content of which 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. *See* 19 CFR 351.309(d). A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. *See* 19 CFR 351.309. Executive summaries should be limited to five pages total, including footnotes. *See id.* Further, we request that parties submitting briefs and rebuttal briefs provide the Department with an electronic copy of the public version of such briefs.

In accordance with section 774 of the Act, the Department will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case and rebuttal briefs. If a request for a hearing is made

in this investigation, the hearing will tentatively be held two days after the deadline for submitting rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and in a room to be determined. *See* 19 CFR 351.310(d)(1). 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 publication of this notice. *See* 19 CFR 351.310(c). 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 id.*

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: July 30, 2008.

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

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-791-821]

### Notice of Preliminary Determination of Sales at Less Than Fair Value: Uncovered Innerspring Units from South Africa

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

**EFFECTIVE DATE:** August 6, 2008.

**SUMMARY:** We preliminarily determine that imports of uncovered innerspring units from South Africa are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (the Act). Interested parties are invited to comment on this preliminary determination. We intend to make our final determination within 75 days of the date of publication of this preliminary determination pursuant to section 735 of the Act.

**FOR FURTHER INFORMATION CONTACT:** Dmitry Vladimirov or Minoo Hatten, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and

Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0665 and (202) 482-1690, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On January 28, 2008, the Department of Commerce (the Department) published in the **Federal Register** the initiation of an antidumping investigation on uncovered innerspring units from South Africa. See *Uncovered Innerspring Units From the People's Republic of China, South Africa, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations*, 73 FR 4817 (January 28, 2008) (*Initiation Notice*). The Department set aside a period for all interested parties to raise issues regarding product coverage. See *Initiation Notice*, 73 FR at 4818. We did not receive comments regarding product coverage from any interested party.

On February 14, 2008, the International Trade Commission (ITC) notified the Department of its affirmative preliminary determination that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of uncovered innerspring units from South Africa. See *Uncovered Innerspring Units From China, South Africa, and Vietnam Investigation Nos. 731 TA 1140 1142 (Preliminary)*, 73 FR 13567 (March 13, 2008).

On May 28, 2008, the Department extended the deadline for the preliminary results of this investigation from June 9, 2008, to July 30, 2008. See *Postponement of Preliminary Determinations of Antidumping Duty Investigations; Uncovered Innerspring Units from the People's Republic of China, South Africa, and the Socialist Republic of Vietnam*, 73 FR 30604 (May 28, 2008).

**Period of Investigation**

The period of investigation (POI) is October 1, 2006, through September 30, 2007.

**Scope of Investigation**

The merchandise covered by this investigation is uncovered innerspring units composed of a series of individual metal springs joined together in sizes corresponding to the sizes of adult mattresses (*e.g.*, twin, twin long, full, full long, queen, California king, and king) and units used in smaller constructions, such as crib and youth mattresses. All uncovered innerspring units are included in this scope regardless of width and length. Included within this definition are innersprings typically ranging from 30.5 inches to 76

inches in width and 68 inches to 84 inches in length. Innersprings for crib mattresses typically range from 25 inches to 27 inches in width and 50 inches to 52 inches in length.

Uncovered innerspring units are suitable for use as the innerspring component in the manufacture of innerspring mattresses, including mattresses that incorporate a foam encasement around the innerspring.

Pocketed and non-pocketed innerspring units are included in this definition. Non-pocketed innersprings are typically joined together with helical wire and border rods. Non-pocketed innersprings are included in this definition regardless of whether they have border rods attached to the perimeter of the innerspring. Pocketed innersprings are individual coils covered by a "pocket" or "sock" of a nonwoven synthetic material or woven material and then glued together in a linear fashion.

Uncovered innersprings are classified under subheading 9404.29.9010 and have also been classified under subheadings 9404.10.0000, 7326.20.00.70, 7320.20.5010, or 7320.90.5010 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

**Issuance of Questionnaire**

On February 26, 2008, we identified Bedding Component Manufacturers (Pty) Ltd. (BCM) as the sole exporter of subject merchandise during the POI. See the Memorandum to Stephen J. Claeys entitled "Antidumping Duty Investigation of Uncovered Innerspring Units from South Africa - Respondent Identification," dated February 26, 2008.

On March 4, 2008, we issued sections A, B, C, D, and E<sup>1</sup> of the antidumping questionnaire to BCM. In the cover letter to the antidumping questionnaire, we informed BCM that, if we did not receive its questionnaire response by 5

<sup>1</sup> Section A of the antidumping duty questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all of the company's home-market sales of the foreign like product or, if the home market is not viable, of sales of the foreign like product in the most appropriate third-country market. Section C requests a complete listing of the company's U.S. sales of subject merchandise. Section D requests information of the cost of production of the foreign like product and the constructed value of the merchandise under investigation. Section E requests information on further-manufacturing activities.

p.m. on the due date or a written request for an extension of the due date and if we have information demonstrating that BCM either received the questionnaire or refused delivery of the questionnaire, we would conclude that BCM had decided not to cooperate in this investigation. We also informed BCM that its refusal to cooperate in an investigation requires application of facts available, which may include an adverse inference, in accordance with sections 776(a) and 776(b) of the Act, when determining the company's antidumping duty margin.

On March 25, 2008, we received a facsimile communication from BCM requesting an extension of time to submit a response to Section A of the antidumping questionnaire.<sup>2</sup> On March 25, 2008, we granted BCM's request for an extension in full with the new due date of April 2, 2008, for its response to Section A of our questionnaire. On April 4, 2008, we received an electronic-mail communication, containing an attachment in the form of a dated letter in PDF format, from BCM notifying us that BCM would not "be able to" file its response (see letter on file in Import Administration's Central Records Unit (CRU), Room 1117, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230). In addition, we did not receive a response from BCM to sections B and C by the close of business on April 10, 2008, the established deadline.

**Use of Facts Otherwise Available**

For the reasons discussed below, we determine that the use of facts available with an adverse inference (AFA) is appropriate for the preliminary determination with respect to BCM.

*A. Use of Facts Available*

Section 776(a)(2) of the Act provides that, if an interested party withholds requested information or fails to provide such information by the deadlines for submission of the information or in the form or manner requested, subject to subsections (c)(1) and (e) of section 782 of the Act, significantly impedes a proceeding under this title, or provides such information but the information cannot be verified as provided in section 782(i) of the Act, the administering authority shall use,

<sup>2</sup> In our letter, we reiterated that BCM's refusal to cooperate in this investigation would require the use of facts available, which may include an adverse inference, in accordance with sections 776(a) and 776(b) of the Act, when determining the company's antidumping duty margin. BCM's responses to sections B and C of the antidumping questionnaire remained due on April 10, 2008.

subject to section 782(d) of the Act, facts otherwise available in reaching the applicable determination. Section 782(d) of the Act provides that, if the administering authority determines that a response to a request for information does not comply with the request, the administering authority shall promptly inform the responding party and provide an opportunity to remedy the deficient submission. Section 782(e) of the Act states further that the Department shall not decline to consider submitted information if all of the following requirements are met: (1) the information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties.

In this case, BCM did not provide pertinent information we requested that is necessary to calculate an antidumping margin for the preliminary determination. Specifically, BCM failed to respond to our questionnaire, thereby withholding, among other things, home-market and U.S. sales data that are necessary for preliminarily determining whether BCM is selling subject merchandise into the United States at less than fair value, pursuant to section 733 of the Act. BCM's failure to provide this necessary information has significantly impeded this proceeding pursuant to section 776(a)(2)(C) of the Act. Furthermore, because BCM did not submit any response to our requests for information and did not suggest alternative forms in which it could submit such responses, sections 782(c)(1), (d), and (e) of the Act do not apply. Thus, in reaching our preliminary determination, pursuant to sections 776(a)(2)(A), (B), and (C) of the Act, we have based the dumping margin on facts otherwise available for BCM.

#### *B. Application of Adverse Inferences for Facts Available*

In applying the facts otherwise available, section 776(b) of the Act provides that, if the administering authority finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority, in reaching the applicable determination under this title, the administering authority may use an inference adverse to the interests of that party in selecting from among the facts otherwise available. See, e.g., *Notice of Final Determination of Sales*

*at Less than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan*, 65 FR 42985, 42986 (July 12, 2000) (*Steel Hollow Products from Japan*).

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 *Notice of Preliminary Determination of Sales at Less Than Fair Value: Glycine from Japan*, 72 FR 52349, 52352 (September 13, 2007) (*Glycine from Japan*) (unchanged in *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Glycine from Japan*, 72 FR 67271 (November 28, 2007)); see also Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316, vol.1 (1994) at 870 (SAA). Further, "affirmative evidence of bad faith on the part of a respondent is not required before the Department may make an adverse inference." See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27340 (May 19, 1997).

Although the Department provided BCM with notice informing it of the consequences of its failure to respond adequately to the questionnaire in this case, BCM did not respond to the questionnaire. This constitutes a failure on the part of BCM to cooperate to the best of its ability to comply with a request for information by the Department within the meaning of section 776(b) of the Act. Based on the above, the Department has preliminarily determined that BCM failed to cooperate to the best of its ability and, therefore, in selecting from among the facts otherwise available, an adverse inference is warranted. See, e.g., *Steel Hollow Products from Japan* (the Department applied total AFA where the respondent failed to respond to the antidumping questionnaire).

#### *C. Selection and Corroboration of Information Used as Facts Available*

Where the Department applies AFA because a respondent 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 authorizes the Department to rely on information derived from the petition, a final determination, a previous administrative review, or other information placed on the record. See also 19 CFR 351.308(c) and the SAA at 829-831. It is the Department's practice to use the highest rate from the petition in an investigation when a respondent fails to act to the best of its ability to provide the necessary information and

there are no other respondents. See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethylcellulose From Finland*, 69 FR 77216 (December 27, 2004) (unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Purified Carboxymethylcellulose From Finland*, 70 FR 28279 (May 17, 2005)). Therefore, because an adverse inference is warranted, we have assigned to BCM the single margin alleged in the petition, as recalculated in the Initiation Notice, of 121.39 percent (see *Petitions on Uncovered Innerspring Units from China, South Africa, and Vietnam*, dated December 31, 2007 (*Petition*), and January 11, 2008, supplement to the *Petition* filed on behalf of Leggett and Platt, Incorporated, Inc. (the petitioner)), as recalculated in the January 22, 2008, *Antidumping Investigation Initiation Checklist: Uncovered Innerspring Units from South Africa (Initiation Checklist)* on file in Import Administration's CRU. See also *Initiation Notice*, 73 FR at 4822.

When using facts otherwise available, section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) rather than on information obtained in the course of an investigation, it must corroborate, to the extent practicable, information from independent sources that are reasonably available at its disposal.

"Corroborate" means the Department will satisfy itself that the secondary information to be used has probative value. See, e.g., *Glycine from Japan*; see also SAA at 870. As stated 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) (unchanged 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; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825, 11843 (March 13, 1997)), to corroborate secondary information, the Department will examine, to the extent practicable, the reliability and relevance of the information used. The Department's regulations state that independent sources used to corroborate such evidence may include, for example,

published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. See 19 CFR 351.308(d) and SAA at 870.

For the purposes of this investigation, to the extent appropriate information was available, we reviewed the adequacy and accuracy of the information in the *Petition* during our pre-initiation analysis and for purposes of this preliminary determination. See *Initiation Checklist*. We examined evidence supporting the calculations in the *Petition* to determine the probative value of the margins alleged in the *Petition* for use as AFA for purposes of this preliminary determination. During our pre-initiation analysis, we examined the key elements of the export-price and normal-value calculations used in the *Petition* to derive an estimated margin. During our pre-initiation analysis, we also examined information from various independent sources provided either in the *Petition* or, on our request, in the supplement to the *Petition*, that corroborates key elements of the export-price and normal-value calculations used in the *Petition* to derive an estimated margin.

Specifically, the petitioner calculated an export price using pricing information during the POI obtained from its U.S. customer of South African-produced uncovered innerspring units sold, or offered for sale, by U.S. importers of the subject merchandise. The pricing information identified specific terms of sale and payment terms. We obtained affidavits from persons who obtained the U.S. price quote. See *Initiation Checklist* at 6–8. The petitioner made adjustments to the starting price, where applicable, for foreign inland freight, ocean freight, marine insurance, and U.S. customs and port fees to arrive at net export price. To examine further the reliability of the U.S. price information in the *Petition* for purposes of this preliminary determination we obtained the average monthly Average Unit Values (AUVs) (Landed, Duty Paid) of imports of uncovered innerspring units from South Africa for consumption in the United States, classified under HTSUS number 9404299010 for the POI gathered from the Bureau of the Census IM145 import statistics.<sup>3</sup> We confirmed, by examining the Harmonized Tariff Schedule of the

United States Annotated, that this HTSUS number is not a “basket category” such that it only includes entries of subject merchandise. U.S. official import statistics are sources that we consider reliable. See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value: Superalloy Degassed Chromium from Japan*, 70 FR 48538 (August 18, 2005), and applicable Memorandum to the File from Dmitry Vladimirov entitled “Preliminary Determination in the Antidumping Duty Investigation of Superalloy Degassed Chromium from Japan: Corroboration of Total Adverse Facts Available Rate,” dated August 11, 2005 (*Chromium from Japan*) (unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Superalloy Degassed Chromium from Japan*, 70 FR 65886 (November 1, 2005)). We then compared the U.S. price quote in the *Petition* to the AUVs for the POI and confirmed that the value of the U.S. price quote was consistent with average U.S. import values. Further, we obtained no other information that would make us question the reliability of the pricing information provided in the *Petition*.

The petitioner made adjustments to the starting U.S. price for foreign inland freight, ocean freight, marine insurance, and U.S. customs and port fees to arrive at the net export price. The petitioner calculated foreign inland-freight costs based on the petitioner’s South African subsidiary’s transportation experience and the related shipping costs it incurs. See *Initiation Checklist* at 7–8. The petitioner provided an affidavit from an individual attesting to the source and validity of the inland-freight costs it used in the calculation of net U.S. price. *Id.* The petitioner calculated international-freight costs and marine-insurance charges based on price quotes it obtained from respective service providers. *Id.* The petitioner provided an affidavit from an individual attesting to the source and validity of the international-freight and marine-insurance charges it used in the calculation of net U.S. price. *Id.* The petitioner estimated harbor-maintenance and merchandise-processing fees using standard U.S. government percentage rates. *Id.* Such publically available data are sources of information we consider reliable. See, e.g., *Glycine from Japan*, 72 FR at 52353. The petitioner calculated U.S. credit expense using the Federal Reserve’s reported average prime rate charged by banks on commercial and industrial loans with duration of less than a year and an estimated credit period consisting of ocean transit time and

customary payment terms of 30 days commencing with the arrival of product at the U.S. port of entry. See *Initiation Checklist* at 7–8. The petitioner calculated the U.S. short-term interest rate and the time period in ocean transit using publically available information. *Id.* Such publically available data are sources of information we consider reliable. See, e.g., *Glycine from Japan*, 72 FR at 52353. The petitioner provided an affidavit from an individual attesting to the validity of customary payment terms associated with sales of subject merchandise to the United States. See *Initiation Checklist* at 7–8. Because we obtained no other information that would make us question the reliability of the adjustments to the U.S. price provided in the *Petition*, based on our examination of the aforementioned information, we preliminarily consider the petitioner’s calculation of net U.S. price to be reliable. See, e.g., *Glycine from Japan*, 72 FR at 52353.

To calculate normal value, the petitioner relied on its South African subsidiary’s actual price to an unaffiliated customer in South Africa for uncovered innerspring units it sold during the POI. The pricing information identified specific terms of sale and payment terms. See *Initiation Checklist* at 7–8. The petitioner provided an affidavit from an individual attesting to the validity of the South African price and associated sale and payment terms that the petitioner used in the calculation of net foreign price. *Id.* The petitioner converted the starting price from Rand to U.S. dollars using the POI-average exchange rate of 0.1388 dollars per Rand. The petitioner calculated the POI-average exchange rate using the daily exchange rates listed on Import Administration’s website. *Id.* The petitioner made adjustments to the starting home-market price by deducting home-market credit expense and adding U.S. credit expenses and packing costs. To calculate home-market credit expenses, the petitioner used the payment terms its South African subsidiary extends to its customer, which the petitioner claims are typical payment terms in South Africa. *Id.* The petitioner calculated home-market credit expenses using a payment period typical in South Africa and the average three-month trade-financing interest rate as reported by the South African Reserve Bank for the period of investigation. *Id.* The petitioner provided information indicating that its South African subsidiary ships the foreign like product unpacked and ships subject merchandise roll-packed. The

<sup>3</sup> See The Memorandum to File from Case Analyst entitled “Less-Than-Fair-Value Investigation on Uncovered Innerspring Units from South Africa - Placement of Certain Import Statistics Data from the USITC Interactive Tariff and Trade DataWeb on the Record of This Investigation,” dated July 30, 2008.

petitioner calculated U.S. packing costs based on the experience of its South African subsidiary. *Id.*

The petitioner demonstrated the validity of the various assumptions it employed in its calculation of normal value and it used public sources of information such as official home-market and U.S. short-term interest rates and currency exchange rates that we confirmed were accurate. See, e.g., *Chromium from Japan* (where we stated that publicly available information or import statistics do not require further corroboration). Therefore, absent other information on the record disputing the validity of the sources of information or the validity of information supporting the underlying price (and applicable price adjustments) used in the *Petition*, we consider the petitioner's calculation of normal value to be reliable. Accordingly, because we confirmed the accuracy and validity of the information underlying the derivation of the margin in the *Petition* by examining source documents and affidavits, as well as publically available information, we preliminarily determine that the margins in the *Petition* are reliable for the purposes of this investigation. See, e.g., *Glycine from Japan*, 72 FR at 52353.

In making a determination as to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal as to whether there are circumstances that would render a margin not relevant. Where circumstances indicate that the selected margin is not appropriate as AFA, the Department will disregard the margin and determine an appropriate margin. For example, in *Fresh Cut Flowers from Mexico: Final Results of Antidumping Duty Administrative Review*, 61 FR 6812 (February 22, 1996), the Department disregarded the highest margin as "best information available" (the predecessor to "facts available") because the margin was based on another company's uncharacteristic business expense that resulted in an unusually high dumping margin.

In *Am. Silicon Techs. v. United States*, 273 F. Supp. 2d 1342, 1346 (CIT 2003), the court found that the AFA rate bore a "rational relationship" to the respondent's "commercial practices" and was, therefore, relevant. In the pre-initiation stage of this investigation, we confirmed that the calculation of the margin in the *Petition* reflects commercial practices of the particular industry during the POI. Further, no information has been presented in the investigation that calls into question the relevance of this information. As such, we preliminarily determine that the margin in the *Petition*, which we

determined during our pre-initiation analysis was based on adequate and accurate information and which we have corroborated for purposes of this preliminary determination, is relevant as the AFA rate for BCM. See, e.g., *Glycine from Japan*.

As described above, the Department attempted to corroborate all of the secondary information from which the margin in the *Petition* was calculated by reviewing all of the data presented and by requesting clarification, attestation, and confirmation from the petitioner and its sources, as needed. Moreover, during the investigation, the Department was provided no other information from any other interested party. The Department also is aware of no other independent sources of information that would enable it to corroborate further the U.S. and home-market prices (and their respective adjustments), as furnished by the petitioner, for this preliminary determination. Similar to our position in *Polyethylene Retail Carrier Bags from Thailand: Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 53405, 53407 (September 11, 2006) (unchanged in *Polyethylene Retail Carrier Bags from Thailand: Final Results of Antidumping Duty Administrative Review*, 72 FR 1982 (January 17, 2007)), because this is the first proceeding involving BCM, there are no probative alternatives. Accordingly, by using information that was corroborated in the pre-initiation stage of this investigation and preliminarily determined to be reliable and relevant to BCM in this investigation, we have corroborated the AFA rate "to the extent practicable." See section 776(c) of the Act, 19 CFR 351.308(d), and *NSK Ltd. v. United States*, 346 F. Supp. 2d 1312, 1336 (CIT 2004) (stating, "pursuant to the to the extent practicable' language...the corroboration requirement itself is not mandatory when not feasible"). See also *Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils From Canada*, 63 FR 59527, 59529 (November 4, 1998) (unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils from Canada*, 64 FR 15457 (March 31, 1999)).

Therefore, based on our efforts described above to corroborate the margin in the *Petition*, we find that the estimated margin of 121.39 percent in the *Initiation Notice* has probative value within the meaning of section 776(c) of the Act. Consequently, in selecting AFA with respect to BCM, we have applied the margin rate of 121.39 percent, the estimated dumping margin set forth in

the notice of initiation. See *Initiation Notice*.

#### All-Others Rate

Section 735(c)(5)(A) of the Act provides that "the estimated all-others rate shall be an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776." Section 735(c)(5)(B) of the Act provides that, where the estimated weighted-average dumping margins established for all exporters and producers individually investigated are zero or *de minimis* margins or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated. This provision contemplates that, if the data do not permit weight-averaging margins other than the zero, *de minimis*, or total facts-available margins, the Department may use any other reasonable methods. See also *SAA* at 873. Because the petition contained only one estimated dumping margin and because there are no other respondents in this investigation, there are no additional estimated margins available with which to establish the all-others rate. See *Notice of Final Determination of Sales at Less Than Fair Value: Ferrovanadium from the Republic of South Africa*, 67 FR 71136 (November 29, 2002). Therefore, we are using the preliminary determination margin of 121.39 percent as the all-others rate.

#### Preliminary Determination

We preliminarily determine that the following dumping margins exist for the period October 1, 2006, through September 30, 2007:

Manufacturer or Exporter	Margin (percent)
Bedding Component Manufacturers (Pty) Ltd. ....	121.39
All Others .....	121.39

#### Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of uncovered innerspring units from South Africa that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct

CBP to require a cash deposit or the posting of a bond equal to the margins, as indicated above, as follows: (1) the rate for BCM will be 121.39 percent; (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 121.39 percent. These suspension-of-liquidation instructions will remain in effect until further notice.

#### International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our preliminary determination of sales at less than fair value. If our final antidumping determination is affirmative, the ITC will determine whether the imports covered by that determination are materially injuring, or threatening material injury to, the U.S. industry. The deadline for the ITC's determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination, pursuant to section 735(b)(2) of the Act.

#### Public Comment

Case briefs for this investigation must be submitted no later than 50 days after the publication of this notice, pursuant to 19 CFR 351.309(c)(1)(i). Rebuttal briefs must be filed within five days after the deadline for submission of case briefs consistent with 19 CFR 351.309(d)(1). 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.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in an investigation, the hearing normally will be held two days after the deadline for submission of the rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. See 19 CFR 351.310(d)(1). Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. See 19 CFR 351.310(c). Requests should specify the

number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.

We will not be conducting a verification of BCM because it failed to respond to our questionnaire, as discussed above in the "Use of Facts Otherwise Available" section in this notice. Therefore, the deadline for submission of factual information pursuant to 19 CFR 351.301(b)(1) is not applicable. Thus, the deadline for submission of factual information in this investigation will be seven days after the date of publication of this notice. We intend to make our final determination within 75 days after the date of publication of this preliminary determination, pursuant to section 735(a)(1) of the Act.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: July 30, 2008.

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

[FR Doc. E8-18033 Filed 8-5-08; 8:45 am]

**BILLING CODE 3510-DS-S**

#### COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

##### Request for Public Comment on a Commercial Availability Request under the U.S.-Australia Free Trade Agreement (USAFTA)

July 30, 2008.

**AGENCY:** Committee for the Implementation of Textile Agreements (CITA).

**ACTION:** Request for Public Comments concerning a request to expand the scope of a modification of the U.S.-Australia Free Trade Agreement (USAFTA) rules of origin for a viscose/polyester blended yarn.

**SUMMARY:** On February 26, 2008, CITA published in the Federal Register a request for public comment on a commercial availability petition from Gentry Mills that there be a modification to the rules of origin for a certain viscose/polyester blended yarn (73 FR 10227). No public comments were received alleging that viscose rayon fiber could be supplied in commercial quantities in a timely manner. Subsequently, the United States requested consultations with the Government of Australia on its proposal to modify the rule of origin for 5510.90.2000 to allow the use of non-

U.S. and non-Australian viscose rayon fiber. In those consultations, the Government of Australia proposed expanding the scope of the U.S. proposal for a modification to the rule of origin. The Government of Australia proposes that the modification to the rule of origin be applied to all yarns of subheading 5510.90 of the Harmonized Tariff Schedule of the United States (HTSUS).

The President may proclaim a modification to the USAFTA rules of origin for textile and apparel products after reaching an agreement with the Government of Australia on the modification. CITA hereby solicits public comments on this proposal to expand the scope of the rule of origin modification to all yarns in HTSUS subheading 5510.90 to allow the use of non-U.S. and non-Australian viscose rayon fiber. Comments must be submitted by September 5, 2008 to the Chairman, Committee for the Implementation of Textile Agreements, Room 3001, United States Department of Commerce, Washington, DC 20230.

**FOR FURTHER INFORMATION CONTACT:** Anna Flaaten, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4058.

#### SUPPLEMENTARY INFORMATION:

**Authority:** Section 204 of the Agricultural Act of 1956, as amended (7 USC 1854); Section 203 (o)(2)(B)(i) of the United States - Australia Free Trade Agreement Implementation Act (19 U.S.C. 3805 note) (USAFTA Implementation Act); Executive Order 11651 of March 3, 1972, as amended.

#### Background:

Under the USAFTA, the parties are required to progressively eliminate customs duties on originating goods. See Article 2.3.1. The USAFTA provides that, after consultations, the parties may agree to revise the rules of origin for textile and apparel products to address issues of availability of supply of fibers, yarns, or fabrics in the free trade area. See Article 4.2.5 of the USAFTA. In the consultations, each party must consider data presented by the other party showing substantial production of the good. Substantial production has been shown if domestic producers are capable of supplying commercial quantities of the good in a timely manner. See Article 4.2.4 of the USAFTA.

The USAFTA Implementation Act provides the President with the authority to proclaim modifications to the USAFTA rules of origin as are necessary to implement the agreement after complying with the consultation and layover requirements of Section 104