

## Background

On November 18, 2010, the Department simultaneously initiated antidumping and countervailing duty investigations of wood flooring from the PRC. See *Multilayered Wood Flooring from the People's Republic of China: Initiation of Countervailing Duty Investigation*, 75 FR 70719 (November 18, 2010) and *Multilayered Wood Flooring From the People's Republic of China: Initiation of Antidumping Duty Investigation*, 75 FR 70714 (November 18, 2010).

On April 6, 2011, the Department published the preliminary affirmative countervailing duty determination pertaining to wood flooring from the PRC. See *Multilayered Wood Flooring From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 76 FR 19034 (April 6, 2011). On April 4, 2011, the petitioner (the Coalition for American Hardwood Parity) requested alignment of the final countervailing duty determination with the final determination in the companion antidumping duty investigation of wood flooring from the PRC, in accordance with 19 CFR 351.210(b)(4)(i) and 19 CFR 351.210(i). This request was timely made.

Therefore, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended ("the Act"), and 19 CFR 351.210(b)(4), we are aligning the final countervailing duty determination of wood flooring from the PRC with the final determination in the companion antidumping duty investigation of wood flooring from the PRC. The final countervailing duty determination will be issued on the same date as the final antidumping duty determination, which is currently scheduled for August 2, 2011.

This notice is issued and published pursuant to section 705(a)(1) of the Act.

Dated: May 3, 2011.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-933]

#### **Frontseating Service Valves from the People's Republic of China: Preliminary Results of the 2008-2010 Antidumping Duty Administrative Review and Partial Rescission of Review**

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

**SUMMARY:** In response to requests from interested parties, the Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on frontseating service valves ("FSVs") from the People's Republic of China ("PRC"), covering the period October 22, 2008 through March 31, 2010.

We have preliminarily determined that the mandatory respondents in this administrative review have made sales in the United States at prices below normal value ("NV") during the period of review ("POR"). None of the remaining respondents provided evidence that they are separate from the state-controlled entity. As a result, they are considered part of the PRC entity. If these preliminary results are adopted in the final results of review, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on entries of subject merchandise during the POR for which the importer-specific assessment rates are above *de minimis*.

We invite interested parties to comment on these preliminary results. Parties who submit comments are requested to submit with each argument a summary of the argument. We intend to issue the final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act").

**DATES:** *Effective Date:* May 9, 2011.

#### **FOR FURTHER INFORMATION CONTACT:**

Laurel LaCivita, Sergio Balbontin, or Eugene Degnan, 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) 482-4243, (202) 482-6478, and (202) 482-0414, respectively.

#### **Background**

On April 28, 2009, the Department published in the **Federal Register** the antidumping duty order on FSVs from

the PRC.<sup>1</sup> On April 1, 2010, the Department published in the **Federal Register** a notice of opportunity to request an administrative review of the antidumping duty order on FSVs from the PRC for the period October 22, 2008 through March 31, 2010.<sup>2</sup> On April 28, 2010, in accordance with 19 CFR 351.213(b)(2), Zhejiang Sanhua Co., Ltd. ("Sanhua"), a foreign exporter of the subject merchandise, requested the Department to review its sales of subject merchandise. On April 30, 2010, Parker-Hannifin Corporation ("Petitioner") requested that the Department conduct an administrative review of the exports of subject merchandise of 97 exporters and producers of the subject merchandise.<sup>3</sup> On the same date, Zhejiang DunAn Hetian Metal Co. Ltd. ("DunAn"), a foreign exporter of the subject merchandise, requested the Department to review its sales of subject merchandise. On May 28, 2010, the Department initiated an administrative review of the order on FSVs from the PRC for the POR with respect to 97 producers and exporters of the subject merchandise.<sup>4</sup>

On June 25, 2010, Tycon Alloy Industries (Shenzhen) Co., Ltd. ("Tycon Alloy") reported that it had no shipments of subject merchandise and requested that the Department rescind the review with respect to it. On July 26, 2010, Amtek/CAG, Inc., an exporter of the subject merchandise, entered its appearance in this review and withdrew its appearance on August 5, 2010.

On August 13, 2010, the Department selected two mandatory respondents for this administrative review: Sanhua and DunAn. See the Respondent Selection section below.

Between August 2010 and February 2011, the Department issued its initial and supplemental antidumping duty questionnaires to the two mandatory respondents in this review, DunAn and Sanhua.<sup>5</sup> DunAn and Sanhua submitted their responses between September 2010 and March 2011, and Petitioner

<sup>1</sup> See *Antidumping Duty Order: Frontseating Service Valves from the People's Republic of China*, 74 FR 19196 (April 28, 2009) ("Order").

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 75 FR 16426 (April 1, 2010).

<sup>3</sup> See Letter from Petitioners, "Frontseating Service Valves from the People's Republic of China—Request for Initiation of Antidumping Administrative Review," dated April 30, 2010, at Attachment A.

<sup>4</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 75 FR 29976 (May 28, 2010) ("Initiation").

<sup>5</sup> See the "Respondent Selection" section of this notice below.

responded with comments in November 2010 and April 2011.

On July 8, 2010, the Department requested that Import Administration's Office of Policy provide a list of surrogate countries for this review.<sup>6</sup> On July 20, 2010, the Office of Policy issued its list of surrogate countries.<sup>7</sup> On October 22, 2010, the Department issued a letter to interested parties seeking comments on surrogate country selection and surrogate values ("SVs").<sup>8</sup> On November 4 and 5, 2010, Petitioners, DunAn and Sanhua provided surrogate country selection comments ("Petitioners' Surrogate Country Selection Letter," "DunAn's Surrogate Country Selection Letter" and "Sanhua's Surrogate Country Selection Letter," respectively). DunAn and Sanhua submitted SV comments ("DunAn's SV Comments" and "Sanhua's SV Comments," respectively). On November 29, 2010, Petitioner submitted rebuttal SV comments ("Petitioners' Rebuttal SV Comments").

On January 7, 2011, the Department extended the time period for completion of the preliminary results of this review by 120 days until May 2, 2011.<sup>9</sup>

### Respondent Selection

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter or producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion to limit its examination to a reasonable number of exporters or producers if it is not practicable to examine all exporters or producers involved in the review.

On June 2, 2010, the Department released CBP data for entries of the subject merchandise during the POR under administrative protective order ("APO") to all interested parties having an APO, inviting comments regarding

the CBP data and respondent selection. The Department received comments and rebuttal comments on June 14, 2010, and June 17, 2010, from Petitioners and Sanhua, respectively. On July 1, 2010, the Department released revised CBP data to all parties under APO. Petitioners and DunAn provided comments on this data on July 8, 2010.

On August 13, 2010, the Department issued its Respondent Selection Memorandum after assessing its resources and determining that it could reasonably examine two exporters subject to this review. Pursuant to section 777A(c)(2)(B) of the Act, the Department selected DunAn and Sanhua as mandatory respondents.<sup>10</sup>

### Period of Review

The POR is October 22, 2008 through March 31, 2010.

### Scope of the Order

The merchandise covered by this order is frontseating service valves, assembled or unassembled, complete or incomplete, and certain parts thereof. Frontseating service valves contain a sealing surface on the front side of the valve stem that allows the indoor unit or outdoor unit to be isolated from the refrigerant stream when the air conditioning or refrigeration unit is being serviced. Frontseating service valves rely on an elastomer seal when the stem cap is removed for servicing and the stem cap metal to metal seat to create this seal to the atmosphere during normal operation.<sup>11</sup>

For purposes of the scope, the term "unassembled" frontseating service valve means a brazed subassembly requiring any one or more of the following processes: the insertion of a valve core pin, the insertion of a valve stem and/or O ring, the application or installation of a stem cap, charge port cap or tube dust cap. The term "complete" frontseating service valve means a product sold ready for installation into an air conditioning or refrigeration unit. The term "incomplete" frontseating service valve means a product that when sold is in multiple pieces, sections, subassemblies

or components and is incapable of being installed into an air conditioning or refrigeration unit as a single, unified valve without further assembly.

The major parts or components of frontseating service valves intended to be covered by the scope under the term "certain parts thereof" are any brazed subassembly consisting of any two or more of the following components: a valve body, field connection tube, factory connection tube or valve charge port. The valve body is a rectangular block, or brass forging, machined to be hollow in the interior, with a generally square shaped seat (bottom of body). The field connection tube and factory connection tube consist of copper or other metallic tubing, cut to length, shaped and brazed to the valve body in order to create two ports, the factory connection tube and the field connection tube, each on opposite sides of the valve assembly body. The valve charge port is a service port via which a hose connection can be used to charge or evacuate the refrigerant medium or to monitor the system pressure for diagnostic purposes.

The scope includes frontseating service valves of any size, configuration, material composition or connection type. Frontseating service valves are classified under subheading 8481.80.1095, and also have been classified under subheading 8415.90.80.85, of the Harmonized Tariff Schedule of the United States ("HTSUS"). It is possible for frontseating service valves to be manufactured out of primary materials other than copper and brass, in which case they would be classified under HTSUS subheadings 8481.80.3040, 8481.80.3090, or 8481.80.5090. In addition, if unassembled or incomplete frontseating service valves are imported, the various parts or components would be classified under HTSUS subheadings 8481.90.1000, 8481.90.3000, or 8481.90.5000. The HTSUS subheadings are provided for convenience and customs purposes, but the written description of the scope of this proceeding is dispositive.

### Partial Rescission of Administrative Review

The Department is rescinding this review with respect to Tycon Alloy because it submitted a "no shipment" letter on June 25, 2010, and our review of the CBP import data did not reveal any contradictory information.<sup>12 13</sup>

<sup>12</sup> See letter from Tycon Alloy, "Frontseating Service Valves from the People's Republic of China: Request for Rescission of the Administration

<sup>6</sup> See Memorandum to Carole Showers, Director, Office of Policy, "Antidumping Duty Administrative Review of Frontseating Service Valves from the People's Republic of China: Surrogate-Country Selection," dated July 8, 2010.

<sup>7</sup> See Memorandum from Carole Showers, Acting Director, Office of Policy, "Request for a List of Surrogate Countries for an Administrative Review of the Antidumping Duty Order on Frontseating Service Valves ("Service Valves") from the People's Republic of China ("PRC")," dated July 20, 2010 ("Surrogate Country List").

<sup>8</sup> See Letter to Interested Parties, "First Administrative Review of the Antidumping Duty Order on Front Seating Valves from the People's Republic of China: Request for Comments on the Selection of a Surrogate Country and Surrogate Values," dated October 22, 2010.

<sup>9</sup> See *Frontseating Service Valves from the People's Republic of China: Extension of Time for the Preliminary Results of the Antidumping Duty Administrative Review*, 76 FR 1135 (January 7, 2011).

<sup>10</sup> See Memorandum regarding Antidumping Duty Administrative Review of Frontseating Service Valves from the People's Republic of China: Selection of Mandatory Respondents, dated August 13, 2010 ("Respondent Selection Memorandum").

<sup>11</sup> The frontseating service valve differs from a backseating service valve in that a backseating service valve has two sealing surfaces on the valve stem. This difference typically incorporates a valve stem on a backseating service valve to be machined of steel, where a frontseating service valve has a brass stem. The backseating service valve dual stem seal (on the back side of the stem), creates a metal to metal seal when the valve is in the open position, thus, sealing the stem from the atmosphere.

### Non-Market Economy Country Status

The Department has treated the PRC as a non-market economy (“NME”) country in all past antidumping duty investigations and administrative reviews and continues to do so in this case.<sup>14</sup> The Department has previously examined the PRC’s market-economy (“ME”) status and determined that NME status should continue for the PRC.<sup>15</sup> In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. No interested party to this proceeding has contested such treatment. Accordingly, we calculated NV using a factors of production (“FOP”) methodology in accordance with section 773(c) of the Act, which applies to NME countries.

### Surrogate Country

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base NV on the NME producer’s FOPs. The Act further instructs that valuation of the FOPs shall be based on the best available information in a surrogate ME country or countries considered to be appropriate by the Department.<sup>16</sup> When valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (1) At a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.<sup>17</sup> Further, the Department normally values all FOPs in a single surrogate country.<sup>18</sup> The sources of SVs are discussed under the “Normal Value” section below and in the Factor

Review,” dated June 25, 2010. See also Memorandum to the File, “Frontseating Service Valves from the People’s Republic of China: Customs Data for Respondent Selection Concerning U.S. Imports of Front Seating Valves,” dated July 1, 2010.

<sup>13</sup> See “No Shipments Inquiry Re: Front Seating Service Valves From The People’s Republic Of China (A-570-933),” dated April 6, 2011.

<sup>14</sup> See 771(18)(C) of the Act; see also, e.g., *Pure Magnesium from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 73 FR 76336 (December 16, 2008); and *Frontseating Service Valves From the People’s Republic of China: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 74 FR 10886 (March 13, 2009).

<sup>15</sup> See Memorandum from the Office of Policy to David M. Spooner, Assistant Secretary for Import Administration, “The People’s Republic of China (PRC) Status as a Non-Market Economy (NME),” dated May 15, 2006. This document is available online at <http://ia.ita.doc.gov/download/prc-nme-status/prc-nme-status-memo.pdf>.

<sup>16</sup> See section 773(c)(1) of the Act.

<sup>17</sup> See section 773(c)(4) of the Act.

<sup>18</sup> See 19 CFR 351.408(c)(2).

Valuation Memorandum,<sup>19</sup> which is on file in the Central Records Unit, Room 7046 of the main Department building.

In examining which country to select as its primary surrogate country for this proceeding, the Department first determined that India, the Philippines, Indonesia, Thailand, Ukraine and Peru are countries comparable to the PRC in terms of economic development.<sup>20</sup> Petitioner, DunAn and Sanhua each submitted letters asserting that India is the most appropriate surrogate country because: (1) India is at a level of economic development comparable to the PRC; (2) India is a significant producer of comparable merchandise; and, (3) India has the most reliable, nationally published, publicly available data with which to value the FOPs used to produce the subject merchandise.<sup>21</sup>

After evaluating interested parties’ comments, the Department has determined that India is the appropriate surrogate country to use in this review in accordance with section 773(c)(4) of the Act. The Department based its decision on the following facts: (1) India is at a level of economic development comparable to that of the PRC; (2) India is a significant producer of comparable merchandise; and (3) India provides the best opportunity to use quality, publicly available data to value the FOPs. All the data submitted by Petitioner, DunAn and Sanhua for our consideration as potential SVs and surrogate financial ratios are sourced from India. Finally, on the record of this review, we have usable SV data (including financial data) from India, but no such surrogate data from other potential surrogate country.

Therefore, because India best represents the experience of producers of comparable merchandise operating in a surrogate country, we have selected India as the surrogate country and, accordingly, have calculated NV using Indian prices to value DunAn’s and Sanhua’s FOPs, when available and appropriate. We have obtained and relied upon publicly available information wherever possible.

In accordance with 19 CFR 351.301(c)(3)(ii), interested parties may submit publicly available information to value the FOPs within 20 days after the

<sup>19</sup> See Memorandum to the File, “2008–2009 Administrative Review of the Antidumping Duty Order on FSVs from the People’s Republic of China: Factor Valuation Memorandum for the Preliminary Results,” dated May 2, 2011 (“Factor Valuation Memorandum”).

<sup>20</sup> See Surrogate Country List.

<sup>21</sup> See Petitioner’s Surrogate Country Selection Letter at 2; DunAn’s Surrogate Country Selection Letter at 2; and, Sanhua’s Surrogate Country Selection Letter at 3–5.

date of publication of the preliminary results of review.<sup>22</sup>

### Separate Rates

A designation of a country as an NME remains in effect until it is revoked by the Department.<sup>23</sup> In proceedings involving NME countries, the Department has a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single antidumping duty rate.<sup>24</sup>

In the *Initiation*, the Department notified parties of the application and certification process by which exporters may obtain separate rate status in NME proceedings.<sup>25</sup> It is the Department’s policy to assign all exporters of subject merchandise in an NME country a single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. Exporters can demonstrate this independence through the absence of both *de jure* and *de facto* governmental control over export activities. The Department analyzes each entity exporting the subject merchandise under a test arising from 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 further developed in Notice of *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”). However, if the Department determines that a company is wholly foreign-owned or located in a market economy, then a separate rate analysis is not necessary to

<sup>22</sup> In accordance with 19 CFR 351.301(c)(1), for the final determination of this review, interested parties may submit factual information to rebut, clarify, or correct factual information submitted by an interested party less than ten days before, on, or after the applicable deadline for submission of such factual information. However, the Department notes that 19 CFR 351.301(c)(1) permits new information only insofar as it rebuts, clarifies, or corrects information recently placed on the record. The Department generally cannot accept the submission of additional, previously absent-from-the-record alternative SV information pursuant to 19 CFR 351.301(c)(1). See *Glycine from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission, in Part*, 72 FR 58809 (October 17, 2007), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>23</sup> See section 771(18)(C) of the Act.

<sup>24</sup> See *Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products From the People’s Republic of China*, 71 FR 53079 (September 8, 2006) (“Lined Paper from the PRC”); *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).

<sup>25</sup> See *Initiation*, 75 FR at 29977.

determine whether it is independent from government control.<sup>26</sup>

### Separate Rate Recipients

In this administrative review, Sanhua submitted its separate rate certification on July 27, 2010.<sup>27</sup> DunAn submitted its separate rate certification in its Section A Questionnaire response (“DunAn’s AQR”).<sup>28</sup> DunAn and Sanhua each reported that they are wholly Chinese-owned companies.<sup>29</sup> Therefore, the Department must analyze whether they can demonstrate the absence of both *de jure* and *de facto* government control over export activities.

#### PRC-Wide Entity

Except for Sanhua, DunAn, and Tycon Alloy, none of the other 94 companies upon which the Department initiated an administrative review submitted a separate-rate application, a separate-rate certification, or a certification of no shipments. As such, they have not demonstrated their eligibility for separate rate status nor provided evidence of no-shipments during the POR. Therefore, the Department preliminarily determines that these companies belong to the PRC-wide entity.<sup>30</sup> Furthermore, CBP data

indicates that there were exports from China of subject merchandise which is not attributable to the two mandatory respondents, and, therefore, the Department preliminarily determines that the PRC-wide entity exported subject merchandise to the United States during the POR. The PRC-wide entity is thus assigned a single antidumping duty rate distinct from the separate rate(s) determined for companies that are found to be independent of government control with respect to their export activities. The Department considers the influence that the government has been found to have over the economy to warrant determining a rate for the PRC-wide entity that is distinct from the rates found for companies that have provided sufficient evidence to establish that they operate freely with respect to their export activities.<sup>31</sup> We are preliminarily assigning to the PRC-wide entity its current rate of 55.62 percent.

#### a. 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) other formal measures by the government decentralizing control of companies.<sup>32</sup>

The evidence provided by DunAn and Sanhua supports a preliminary finding of *de jure* absence of government control based on the following: (1) An absence of restrictive stipulations associated with their businesses and export licenses; (2) applicable legislative enactments decentralizing control of companies; and (3) formal measures by the government decentralizing control of companies.<sup>33</sup>

#### b. Absence of De Facto Control

Typically, the Department considers four factors in evaluating whether each respondent is subject to *de facto* government control of its export functions: (1) Whether the export prices are set by or are subject to the approval of a government agency; (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 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.<sup>34</sup> The Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of governmental control, which would preclude the Department from assigning separate rates.

The evidence provided by DunAn and Sanhua supports a preliminary finding of *de facto* absence of government control based on the following: (1) The absence of evidence that the export prices are set by or are subject to the approval of a government agency;<sup>35</sup> (2) the respondents have authority to negotiate and sign contracts and other agreements;<sup>36</sup> (3) the respondents have autonomy from the government in

<sup>26</sup> See, e.g., *Final Results of Antidumping Duty Administrative Review: Petroleum Wax Candles From the People’s Republic of China*, 72 FR 52355, 52356 (September 13, 2007).

<sup>27</sup> See Sanhua’s letter, “Certain Frontseating Service Valves from the People’s Republic of China: A-570-933; Separate Rate Certification of Zhejiang Sanhua Co., Ltd.,” dated July 27, 2010.

<sup>28</sup> See DunAn’s AQR at 2-13 and DunAn’s letter, “DunAn’s Comments on Absence of Separate Rate Certification: Administrative Review of the Antidumping Order on Fronseating Service Valves from the People’s Republic of China,” dated August 4, 2010.

<sup>29</sup> See DunAn’s AQR at 13-19 and Sanhua’s Section A Questionnaire Response (“Sanhua’s AQR”) at 1-3.

<sup>30</sup> The names of the companies are: AMTEK/CAG Inc.; Anhui Technology Imp Exp Co., Ltd.; Anhui Yingliu Casting Industrial Co.; Anhui Yingliu Electromechanical Co.; Ningbo Weitao Electrical Appliance Co., Ltd.; Atico International (Asia) Ltd.; Beijing KJL Int’l Cargo Agent Co., Ltd.; Bergstrom China Group; Bowen Casting Co Ltd; Broad-Ocean Motor (Hong Kong) Co., Ltd.; C.H. Robinson Worldwide Logistics (Dalian) Co., Ltd.; Catic Fujian Co., Ltd.; Ceiec International Electronics Service Company; Changzhou Ranco Reversing Valve Co., Ltd.; Changzhou Regal-Beloit Motor Co., Ltd.; Chian International Electronics A; China National Building Materials & Equipment Imp & Exp Corp; Chongqing Jianshe Automobile; Zhonghuan Mach. Factory; CPI Motor Co.; Dongyou International Co., Ltd.; Egelhof Regelungstechnik (Suzhou); Fujitsui General (Shanghai) Co., Ltd.; Gamela Enterprise Co Ltd; GD Midea Air-Conditioning Equipment Co Ltd.; Global PMX Co. Ltd; Globe Express Services-NGB; Grace Meng; Guangdong Sanyo Air Conditioner Co., Ltd.; Guangzhou Lai-Long Co, Ltd; Hang Ji Industries International Co; Hangzhou Chunjiang Valve Corporation; Headwin Logistics Co., Ltd.; Higher Hardware Co., Limited; Jiangsu Wei Xi Group Co.; Jiashan Sinhai Precision Casting Co., Ltd.; Leyuan Kuo Enterprise Co Ltd; LHMW Investment Corporation; Long Quan Heng Feng

Auto Air Accessories Co., Ltd.; Long Term Elec Co. Ltd; Nantong Bochuang Fine Ceramic Co. Ltd.; Netmotor (Mfg.) Ltd.; New Centurion Import Export Ltd.; Ningbo Chindr Industry Co., Ltd.; Ningbo Gime Bicycle Co. Ltd.; Ningbo IDC Int’l Trading Co., Ltd.; Ningbo Kaiyuan Shipping Co., Ltd.; Ningbo ND Imp. Exp Co., Ltd.; Ningbo Riyue Refri. Equip. Co., Ltd.; Ningbo Silvertie Foreign Economic Trading Corp.; Ningbo Waywell International Co., Ltd.; Ningbo Yinzhou Along Imp Exp Co.; On Time Taiwan Ltd.; Orient Refrigeration Group Ltd.; Pan Pacific Express Corp.; Promac Intl Corp. No 35; Shanghai Haitai Precision Machine Co., Ltd.; Shanghai Highly Group Trading Co., Ltd.; Shanghai Huan Long Im Ex Co. Ltd.; Shanghai Jing HE Worked Trade Ltd.; Shanghai Research Institute OF; Shanghai Sitico International Trading Co.; Shanghai Velle Automobile Air; Shenyang Henyi Enterprise Co., Ltd.; Shenzhen Heg Import and Export Co., Ltd.; Shenzhen Pacific-Net Logistics, Ltd.; Summit International Logistics, Ltd.; Suzhou KF Valve Co., Ltd.; Suzhou Samsung Electronic Co., Ltd.; Taizhou Boxin Imp Exp Co., Ltd.; Taizhou Chen’s Copper Co., Ltd.; Taizhou DBW Metal Pipe Fittings Co., Ltd.; Traffic Tech International Freight; Uniauto Co., Ltd.; Uniauto International Limited; Uniauto International Ltd.; Uniauto Intl Ltd; WDI (Xiamen) Technology Inc.; Weiss-Rohlig China Co., Ltd.; Wudi County Import and Export Corp.; Xiamen Chengeng Auto Parts Supplier Co., Ltd.; Yancheng H&M Pressure Valve; York International (Northern Asia) Ltd.; Yuyao Dianbo Machinery Co., Ltd.; Yuyao Shule Air Conditioning Equipment Co., Ltd.; Yuyao Smart Mold Plastic Co Ltd; Zhejiang Delisai Air Conditioner Co., Ltd.; Zhejiang Friendship Valve Co., Ltd.; Zhejiang Pinghu Foreign Trade; Zhejiang Sanhua Climate and Appliance Controls Group Co., Ltd.; Zhejiang Sanrong Refrigeration; Zhejiang Tongxiang; Zhejiang Yili Automobile Air Condition Co., Ltd.; and Zhejiang Yilida Ventilator Co., Ltd.

<sup>31</sup> See Certain Frozen Warmwater Shrimp From the People’s Republic of China: Preliminary Results and Preliminary Partial Rescission of Fifth Antidumping Duty Administrative Review, 76 FR 8338, 8342 (February 14, 2011).

<sup>32</sup> See *Sparklers*, 56 FR at 20589.

<sup>33</sup> See Foreign Trade Law of the People’s Republic of China, contained in Sanhua’s AQR, at Exhibit A-2. See also DunAn’s AQR at 3-4.

<sup>34</sup> See *Silicon Carbide*, 59 FR at 22587; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People’s Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

<sup>35</sup> See DunAn’s AQR, at 8-9, Sanhua’s AQR, at 7-10 and Exhibit A-5, and Sanhua’s first supplemental questionnaire response (“Sanhua’s 1st SQ”) at 2 and Exhibit SA-2.

<sup>36</sup> See DunAn’s AQR, at 8-9 and Sanhua’s AQR, at 9.

making decisions regarding the selection of management;<sup>37</sup> and (4) the respondents retain the proceeds of their export sales and make independent decisions regarding disposition of profits or financing of losses.<sup>38</sup>

Therefore, the evidence placed on the record of this review by DunAn and Sanhua demonstrates an absence of *de jure* and *de facto* government control with respect to DunAn's and Sanhua's exports of the merchandise under review, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*. Accordingly, we have determined that DunAn and Sanhua have demonstrated their eligibility for separate rates.

### Fair Value Comparisons

To determine whether sales of FSVs to the United States by DunAn and Sanhua were made at prices below NV, we compared constructed export price ("CEP") to NV, as described in the "Constructed Export Price" and "Normal Value" sections of this notice.

### Constructed Export Price

In accordance with section 772(b) of the Act, CEP is the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under sections 772(c) and (d) of the Act. In accordance with section 772(b) of the Act, we used CEP for DunAn's and Sanhua's sales because the sales were made by U.S. affiliates in the United States.

We calculated CEP based on delivered prices to unaffiliated purchasers in the United States. We made adjustments to the reported gross unit prices for billing adjustments to arrive at the price at which the subject merchandise is first sold in the United States to an unaffiliated customer. We made deductions from the U.S. sales price for movement expenses in accordance with section 772(c)(2) of the Act. These included, where applicable, foreign inland freight from plant to the port of exportation, foreign brokerage and handling, ocean freight, marine insurance, U.S. inland freight from port to the warehouse, U.S. freight from warehouse to customer, U.S. warehousing, U.S. customs duty, and

U.S. brokerage and handling. In accordance with section 772(d)(1) of the Act, the Department deducted, where applicable, commissions, credit expenses, inventory carrying costs, and indirect selling expenses from the U.S. price, all of which relate to commercial activity in the United States. In accordance with section 772(d) of the Act, we calculated DunAn's and Sanhua's credit expenses and inventory carrying costs based on each company's respective short-term interest rate. In addition, we deducted CEP profit in accordance with sections 772(d)(3) and 772(f) of the Act.<sup>39</sup>

### Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using a factors of production methodology if the merchandise is exported from an NME country and the Department finds that the available 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. When determining NV in an NME context, the Department will base NV on FOPs because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under our normal methodologies. The Department's questionnaire requires that DunAn and Sanhua each provide information regarding the weighted-average FOPs across all of the company's plants and/or suppliers that produce the subject merchandise, not just the FOPs from a single plant or supplier. This methodology ensures that the Department's calculations are as accurate as possible.<sup>40</sup>

In accordance with 19 CFR 351.408(c)(1), the Department will normally use publicly available information to find an appropriate SV to value FOPs, but when a producer sources an input from a ME and pays for

it in ME currency, the Department may value the factor using the actual price paid for the input.<sup>41</sup> DunAn and Sanhua each reported that they did not purchase inputs from ME suppliers for the production of the subject merchandise.<sup>42</sup>

We calculated NV based on FOPs in accordance with section 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). The FOPs include but are not limited to: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. The Department used FOPs reported by DunAn and Sanhua for materials, energy, labor, by-products, and packing.

DunAn reported the FOPs of certain unaffiliated third parties and requested that the Department value recycled brass bar, an intermediate input to the production of FSVs, using these FOPs. The Department sought additional information in a supplemental questionnaire regarding these FOPs, but finds that DunAn's reply does not sufficiently address the deficiencies on the record regarding this issue.<sup>43</sup> Therefore, for the preliminary results, the Department is valuing the recycled brass bars reported by DunAn using a surrogate value for brass bar. The Department, however, expects to release an additional supplemental questionnaire addressing this issue, and to consider the response to that questionnaire when addressing this issue for the final results.

DunAn and Sanhua separately reported that they each generate brass scrap during the production process of subject merchandise.<sup>44</sup> DunAn and Sanhua each requested a by-product offset for brass scrap. Sanhua established that it sold all of the scrap that it produced during the POR. Therefore, for these preliminary results, we have granted Sanhua a by-product offset for scrap because it demonstrated that there is commercial value to this scrap.<sup>45</sup> DunAn also established commercial value for its scrap by demonstrating that it sold a portion of the scrap that it produced during the

<sup>37</sup> See DunAn's AQR, at 10–11 and Sanhua's AQR, at 9.

<sup>38</sup> See DunAn's AQR, at 11 and Sanhua's AQR, at 10–11.

<sup>39</sup> For a detailed description of all adjustments, see Memorandum titled "Frontseating Service Valves from the People's Republic of China: Analysis Memorandum for the Preliminary Results of the 2008–2010 Administrative Review: Zhejiang DunAn Hetian Metal Co. Ltd.," ("DunAn Preliminary Analysis Memorandum"), dated May 2, 2011; and, "Frontseating Service Valves ("FSVs") from the People's Republic of China ("PRC"): Analysis Memorandum for the Preliminary Results of the 2008–2010 Administrative Review: Zhejiang Sanhua Co., Ltd. ("Sanhua"), ("Sanhua Preliminary Analysis Memorandum"), dated May 2, 2011.

<sup>40</sup> See, e.g., *Final Determination of Sales at Less Than Fair Value and Critical Circumstances: Certain Malleable Iron Pipe Fittings From the People's Republic of China*, 68 FR 61395 (October 28, 2003), and accompanying Issue and Decision Memorandum at Comment 19.

<sup>41</sup> See 19 CFR 351.408(c)(1); see also *Shakeproof Assembly Components, Div. of Ill. Tool Works, Inc. v. United States*, 268 F.3d 1376, 1382–1383 (Fed. Cir. 2001) (affirming the Department's use of market-based prices to value certain FOPs).

<sup>42</sup> See DunAn's Section D Questionnaire response ("DunAn's DQR") at D–9 and Sanhua's Section D Questionnaire response ("Sanhua's DQR") at D–8.

<sup>43</sup> See DunAn's March 15, 2011 Section D supplemental questionnaire response.

<sup>44</sup> See DunAn's DQR at D–20 and Sanhua's DQR at pages D–16–D–18, and Exhibit D–10a–e.

<sup>45</sup> See Sanhua's Preliminary Analysis Memorandum.

POR, and provided the remaining scrap to unaffiliated processors for production into recycled bar. Accordingly, we have granted DunAn a by-product offset for its brass scrap generated during production during the POR.<sup>46</sup>

### Factor Valuations

In accordance with section 773(c) of the Act, the Department calculated NV based on FOPs reported by DunAn and Sanhua for the POR. To calculate NV, the Department multiplied the reported per-unit factor consumption quantities by publicly available Indian SVs. In selecting the SVs, the Department considered the quality, specificity, and contemporaneity of the data. The Department adjusted input prices by including freight costs to make them delivered prices, as appropriate. Specifically, the Department added to Indian import values a surrogate for 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 decision of the U.S. Court of Appeals for the Federal Circuit in *Sigma Corp. v. United States*, 117 F.3d 1401, 1407–08 (Fed. Cir. 1997). A detailed description of all SVs used to value DunAn's and Sanhua's reported FOPs may be found in the Factor Valuation Memorandum.

For the preliminary results, in accordance with the Department's practice, except where noted below, we used data from the Indian import statistics in the Global Trade Atlas ("GTA") and other publicly available Indian sources in order to calculate SVs for DunAn and Sanhua's FOPs (i.e., direct materials, energy, and packing materials) and certain movement expenses. In selecting the best available information for valuing FOPs in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, SVs which are non-export average values, most contemporaneous with the POR, product-specific, and tax-exclusive.<sup>47</sup> The record shows that data in the Indian import statistics, as well as those from the other Indian sources, are

contemporaneous with the POR, product-specific, and tax-exclusive.<sup>48</sup> In those instances where we could not obtain publicly available information contemporaneous to the POR with which to value factors, we adjusted the SVs using, where appropriate, the Indian Wholesale Price Index ("WPI") as published in the International Monetary Fund's *International Financial Statistics*.<sup>49</sup>

Furthermore, with regard to Indian import-based SVs, we have disregarded prices that we have reason to believe or suspect may be subsidized, such as those from Indonesia, South Korea, and Thailand. We have found in other proceedings that these countries maintain broadly available, non-industry-specific export subsidies and, therefore, it is reasonable to infer that all exports to all markets from these countries may be subsidized.<sup>50</sup> We are also guided by the statute's legislative history that explains that it is not necessary to conduct a formal investigation to ensure that such prices are not subsidized.<sup>51</sup> Rather, the Department was instructed by Congress to base its decision on information that is available to it at the time it is making its determination. In accordance with the foregoing, we have not used prices from these countries in calculating the Indian import-based SVs.

We used *Chemical Weekly* prices to value nitric acid and hydrochloric acid for these preliminary results. We have determined *Chemical Weekly* represents the best data source to value these chemicals because *Chemical Weekly* specifies the concentration level of this chemical input, while the GTA data do not include this information. Therefore, because DunAn reported the purity level of these inputs, we find that *Chemical Weekly* data are more specific to the inputs.

<sup>46</sup> See Factor Valuation Memorandum.

<sup>47</sup> See Factor Valuation Memorandum. See also, e.g., *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 74 FR 9591, 9600 (March 5, 2009) ("*Kitchen Racks Prelim*"), unchanged in *Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 36656 (July 24, 2009) ("*Kitchen Racks Final*").

<sup>48</sup> See *Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Preliminary Results and Preliminary Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 54007, 54011 (September 13, 2005), unchanged in *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of the First Administrative Review*, 71 FR 14170 (March 21, 2006); and *China Nat'l Mach. Import & Export Corp. v. United States*, 293 F. Supp. 2d 1334 (Ct. Int'l Trade 2003), affirmed 104 Fed. Appx. 183 (Fed. Cir. 2004).

<sup>51</sup> See H.R. Rep. No. 100–576 at 590 (1988).

We used Indian transport information to value the inland freight cost of the raw materials. The Department determined the best available information for valuing truck freight to be from the following Web site: <http://www.infobanc.com/logistics/logtruck.htm>. The logistics section of this source contains inland truck freight rates from four major points of origin to 25 destinations in India. The Department obtained inland truck freight rates for the POR from each point of origin to each destination and averaged the data accordingly. Since this value is contemporaneous with the POR, we made no adjustments for inflation.<sup>52</sup>

On May 14, 2010, the Court of Appeals for the Federal Circuit ("CAFC") in *Dorbest Ltd. v. United States*, 604 F.3d 1363, 1372 (CAFC 2010) ("*Dorbest IV*"), found that the "{regression-based} method for calculating wage rates {as stipulated by 19 CFR 351.408(c)(3)} uses data not permitted by {the statutory requirements laid out in section 773 of the Act (i.e., 19 U.S.C. 1677b(c))}." The Department is continuing to evaluate options for determining labor values in light of the recent CAFC decision.

However, for these preliminary results, we have calculated an hourly wage rate to use in valuing respondents' reported labor input by averaging industry-specific earnings and/or wages in countries that are economically comparable to the PRC and that are significant producers of comparable merchandise.

For the preliminary results of this administrative review, the Department is valuing labor using a simple-average, industry-specific wage rate using earnings or wage data reported under Chapter 5B by the International Labor Organization ("ILO"). To achieve an industry-specific labor value, we relied on industry-specific labor data from the countries we determined to be both economically comparable to the PRC, and significant producers of comparable merchandise. A full description of the industry-specific wage rate calculation methodology is provided in the Factor Valuation Memorandum. The Department calculated a simple average industry-specific wage rate of \$1.49 for these preliminary results. Specifically, for this review, the Department has calculated the wage rate using a simple average of the data provided to the ILO under Sub-Classification 29 of the ISIC-Revision 3 standard by countries determined to be both economically comparable to the PRC and significant

<sup>52</sup> See Factor Valuation Memorandum.

<sup>46</sup> See DunAn's Preliminary Analysis Memorandum.

<sup>47</sup> 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 *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004).

producers of comparable merchandise. The Department finds the two-digit description under ISIC-Revision 3 (“Manufacture of Machinery and Equipment, n.e.c.”) to be the best available wage rate surrogate value on the record because it is specific and derived from industries that produce merchandise comparable to the subject merchandise. Consequently, we averaged the ILO industry-specific wage rate data or earnings data available from the following countries found to be economically comparable to the PRC and significant producers of comparable merchandise: The Philippines, Egypt, Indonesia, Ukraine, Jordan, Thailand, Ecuador, and Peru. For further information on the calculation of the wage rate, see the Factor Valuation Memorandum.

We valued electricity using the updated electricity price data for small, medium, and large industries, as published by the Central Electricity Authority, an administrative body of the Government of India, in its publication titled *Electricity Tariff & Duty and Average Rates of Electricity Supply in India*, dated March 2008.<sup>53</sup> These electricity rates represent actual country-wide, publicly-available information on tax-exclusive electricity rates charged to small, medium, and large industries in India. We did not inflate this value because utility rates represent current rates, as indicated by the effective dates listed for each of the rates provided.

We valued natural gas using April through June 2002 data from the Gas Authority of India Ltd. (“GAIL”). Consistent with the Department’s recent determination in *Polyvinyl Alcohol*,<sup>54</sup> we averaged the base and ceiling gas prices of 2,850 rupees (Rs.) per thousand cubic meters (“m<sup>3</sup>”) and Rs. 2,150 per thousand m<sup>3</sup> and added a transmission charge of Rs. 1,150 per thousand m<sup>3</sup> in calculating a value of Rs. 3,650 per m<sup>3</sup>. To be contemporaneous with the POR, the Department inflated this factor value using the POR wholesale WPI for India.<sup>55</sup>

We valued water using the average water rate charged by the Maharashtra Industrial Development Corporation, which shows industrial water rates from various areas within the Maharashtra Province, India (“Maharashtra Data”). The water rate is based on the average

of the Indian rupees per m<sup>3</sup> rates for 386 industrial usage rates<sup>56</sup> in India for the months April, May, June, October, November and December 2009. We did not inflate this rate since all data points are contemporaneous with the POR.<sup>57</sup>

We valued truck freight expenses using an Indian per-unit average rate calculated for the POR using data on the following Web site: <http://www.infobanc.com/logistics/logtruck.htm>.<sup>58</sup> The logistics section of this Web site contains inland freight truck rates between many large Indian cities. We did not inflate this rate since it is contemporaneous with the POR.

We valued brokerage and handling using a price list of export procedures necessary to export a standardized cargo of goods from India. The price list is compiled based on a survey case study of the procedural requirements for trading a standard shipment of goods by ocean transport in India that is published in *Doing Business 2010: India*, published by the World Bank.<sup>59</sup>

We valued marine insurance using a price quote we obtained from RJG Consultants. RJG Consultants is a market-economy provider of marine insurance. We did not inflate this rate since it is contemporaneous with the POR.<sup>60</sup>

19 CFR 351.408(c)(4) directs the Department to value overhead, general, and administrative expenses (“SG&A”) and profit using non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country. In this administrative review, Petitioner submitted the 2009–2010 financial statements of one valve producer, Rane Engine Valve Ltd. (“Rane”), and one fastener producer, Sundram Fasteners Limited (“Sundram”). In addition, it placed the 2008–2009 financial statements of a second valve producer, Triton Valves Ltd. (“Triton”) on the record of this review. DunAn provided the 2009–2010 audited financial statements of two producers of cast products, Siddhi Cast Private Limited (“Siddhi Cast”) and Pyrocast India Private Limited (“Pyrocast”), and the 2008–2009 financial statements for Siddhi Cast. Sanhua provided the 2009–2010 audited financial statements of one producer of copper products, Nissan Copper (“Nissan Copper”). In addition, it provided the 2008–2009 and the 2009–2010 audited financial statements

for a producer of aluminum foils, Gujarat Foils, Ltd. (“Gujarat Foils”).

First, we determined not to use the 2009–2010 audited financial statements for Gujarat Foils because Gujarat Foils audited financial statements indicate that it received benefits under the Duty Entitlement Pass Book (“DEPB Premium”),<sup>61</sup> a program the Department has previously determined to be countervailable. Congress indicated that the Department should “avoid using any prices which it had reason to believe or suspect may be dumped or subsidized prices.” Consistent with this Congressional directive, the Department’s practice is to not use financial statements of a company that we have reason to believe or suspect may have received subsidies where there are other sufficient reliable and representative data on the record for purposes of calculating the surrogate financial ratios, because the financial statements of companies receiving actionable subsidies are less representative of the financial experience of the relevant industry than the ratios derived from financial statements that do not contain evidence of subsidization.

Second, we have determined not to rely on the 2009–2010 audited financial statements of Nissan Copper, Gujarat Foils, Rane, and Sundram, or the 2008–2009 audited financial statements of Gujarat Foils, Siddhi Cast and Triton as surrogate producers under section 351.408(c)(4) of the Department’s regulations because the companies do not produce merchandise that is identical or comparable to subject merchandise. Gujarat Foils produces aluminum rolled products, aluminum foils and strips,<sup>62</sup> products that are comparable to subject merchandise. Rane produces engine valves which are made of martensitic and austenitic grades of valve steel, cast iron, chilled cast iron or cold forgings, rather than brass<sup>63</sup> and thus are not comparable to the subject merchandise. Sundram produces high tensile fasteners, cold extruded parts, powder metal parts, iron powder, radiator caps, gear shifters, hot forged parts, precision forged differential gears, water pumps, oil pumps, fuel pumps, belt tensioners, rocker arm assemblies, cam followers,

<sup>61</sup> See Gujarat Foils Limited’s 18th Annual Report 2009–2010 at p. 27 in Sanhua’s SV Comments at Exhibit SV–3.

<sup>62</sup> See Gujarat Foils, Ltd.’s Annual Report 2008–2009 at p. 12 in Sanhua’s SV Comments at Exhibit SV–3.

<sup>63</sup> See Memorandum to the File, “Frontseating Service Valves from the People’s Republic of China: Information from the Web Indicating that Rane Engine Valve Limited’s (“Rane”) Engine Valves Are Made of Iron and Steel,” dated April 12, 2011.

<sup>53</sup> See Factor Valuation Memorandum.

<sup>54</sup> See *Polyvinyl Alcohol from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 71 FR 27991 (May 15, 2006) and accompanying Issues and Decision Memorandum at Comment 2.

<sup>55</sup> See Factor Valuation Memorandum.

<sup>56</sup> The 386 rates consist of 193 rates for industrial use in “industrial areas,” and 193 rates for industrial use “outside industrial areas.”

<sup>57</sup> See Factor Valuation Memorandum.

<sup>58</sup> See *id.*

<sup>59</sup> See *id.*

<sup>60</sup> See *id.*

bearing housings, hubs and shafts, tappets & other engine components and valve train parts.<sup>64</sup> Thus, like Gujarat Foils and Rane, Sundram does not produce comparable merchandise.

Triton produces valve cores and tire tube valves.<sup>65</sup> Tire tube valves are similar to the valves used as inputs into the subject merchandise, and valve cores are inputs into the subject merchandise. Nissan Copper produces copper pipes and tubes, sections, mother tubes, flat rods and wire bars, and copper ingots, billets and/or bars.<sup>66</sup> Copper tubes are also used as an input into the subject merchandise. Therefore, Triton and Nissan Copper's financial statements are not comparable because the financial statements of companies that produce inputs which are consumed in manufacturing the subject merchandise would not capture downstream costs of producing the subject merchandise.<sup>67</sup>

As a result, we have preliminarily determined to use the contemporaneous 2009–2010 audited financial statements of Siddhi and Pyrocast as the basis of the surrogate financial ratios in this review. Siddhi and Pyrocast both produce valves. Both companies earned a profit, and there is no record evidence to indicate that they received benefits that the Department has a basis to believe or suspect to be countervailable.<sup>68</sup> Further, their audited financial statements are complete and are sufficiently detailed to disaggregate materials, labor, overhead, and SG&A expenses. For a complete listing of all the inputs and a detailed discussion about our SV selections, see the Factor Valuation Memorandum.

### Currency Conversion

Where necessary, the Department made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the

<sup>64</sup> See Memorandum to the File, "Frontseating Service Valves from the People's Republic of China: Information Concerning the Products Produced by Sundram Fasteners Limited ("Sundram"), dated April 26, 2011.

<sup>65</sup> See Memorandum to the File, "Frontseating Service Valves from the People's Republic of China: Information Concerning the Products Produced by Triton Valves Ltd. ("Triton"), dated April 26, 2011.

<sup>66</sup> See Nissan Copper's 21st Annual Report 2009–2010 at page 13 in Sanhua' SV Comments at Exhibit SV-3.

<sup>67</sup> See Certain Steel Threaded Rod from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 74 FR 8907 (February 27, 2009) and accompanying issues and decision memorandum at Comment 1.

<sup>68</sup> See Memorandum to the File, "Frontseating Service Valves from the People's Republic of China: Information from the Web Indicating that Pyrocast India Private Ltd. ("Pyrocast") and Siddhi Cast Private Ltd. ("Siddhi Cast") Produce Valves," dated April 11, 2011.

exchange rates in effect as certified by the Federal Reserve Bank on the date of the U.S. sale.

### Weighted-Average Dumping Margins

The preliminary weighted-average dumping margin is as follows:

#### MAGNESIUM METAL FROM THE PRC

Exporter	Weighted-average margin (percentage)
Zhejiang DunAn Hetian Metal Co. Ltd .....	38.85
Zhejiang Sanhua Co., Ltd ....	5.35
PRC-Wide Entity .....	55.62

### Disclosure

The Department will disclose calculations performed for these preliminary results to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

### Comments

Any interested party may request a hearing within 30 days of publication of these preliminary results.<sup>69</sup> If a hearing is requested, the Department will announce the hearing schedule at a later date. Interested parties may submit case briefs and/or written comments no later than 30 days after the publication of the preliminary results of this review.<sup>70</sup> Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than five days after the time limit for filing the case briefs.<sup>71</sup> Further, we request that parties submitting written comments provide the Department with an additional electronic copy of those comments on a CD-ROM. The Department intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in all comments, and at a hearing, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

### Assessment Rates

The Department will determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.<sup>72</sup> For assessment purposes, we calculated importer- or customer-specific assessment rates for merchandise

subject to this review. The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. In accordance with 19 CFR 351.212(b)(1), we calculated exporter/importer (or customer)-specific assessment rates for the merchandise subject to this review. We calculated an *ad valorem* rate for each importer or customer by dividing the total dumping margins for reviewed sales to that party by the total entered value associated with those transactions. For duty-assessment rates calculated on this basis, we will direct CBP to assess the *resulting ad valorem* rate against the entered customs values for the subject merchandise. Where appropriate, we calculated a per-unit rate for each importer or customer by dividing the total dumping margins for reviewed sales to that party by the total sales quantity associated with those transactions. For duty-assessment rates calculated on this basis, we will direct CBP to assess the resulting per-unit rate against the entered quantity of the subject merchandise. Where an importer- or customer-specific assessment rate is *de minimis* (i.e., less than 0.50 percent) in accordance with the requirement of 19 CFR 351.106(c)(2), the Department will instruct CBP to assess that importer's or customer's entries of subject merchandise without regard to antidumping duties. We intend to instruct CBP to liquidate entries containing subject merchandise exported by the PRC-wide entity (including Tycon Alloy Industries (Shenzhen) Co.) at the PRC-wide rate we determine in the final results of this review.

### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by sections 751(a)(2)(C) of the Act: (1) For DunAn and Sanhua, which have separate rates, the cash deposit rates will be that established in the final results of this review (except, if the rates are zero or *de minimis*, then 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, 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

<sup>69</sup> See 19 CFR 351.310(c).

<sup>70</sup> See 19 CFR 351.309(c)(ii).

<sup>71</sup> See 19 CFR 351.309(d).

<sup>72</sup> See 19 CFR 351.212(b).

separate rate, the cash deposit rate will be the PRC-wide rate of 55.62 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 deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice serves as a preliminary 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.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.213.

Dated: May 2, 2011.

**Ronald K. Lorentzen,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. 2011-11253 Filed 5-6-11; 8:45 am]

**BILLING CODE 3510-DS-P**

#### DEPARTMENT OF COMMERCE

##### International Trade Administration

#### Naval Postgraduate School; Notice of Consolidated Decision on Application for Duty-Free Entry of Electron Microscope

This is a decision consolidated pursuant to Section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89-651, as amended by Pub. L. 106-36; 80 Stat. 897; 15 CFR part 301). Related records can be viewed between 8:30 a.m. and 5 p.m. in Room 3720, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC.

*Docket Number:* 11-021. *Applicant:* Naval Postgraduate School, Monterey, CA 93943. *Instrument:* Electron Microscope. *Manufacturer:* FEI Company, Czech Republic. *Intended Use:* See notice at 76 FR 15945, March 22, 2011.

*Comments:* None received. *Decision:* Approved. No instrument of equivalent scientific value to the foreign instrument, for such purposes as this instrument is intended to be used, is

being manufactured in the United States at the time the instrument was ordered. *Reasons:* Each foreign instrument is an electron microscope and is intended for research or scientific educational uses requiring an electron microscope. We know of no electron microscope, or any other instrument suited to these purposes, which was being manufactured in the United States at the time of order of each instrument.

Dated: May 3, 2011.

**Gregory W. Campbell,**

*Director, Subsidies Enforcement Office, Import Administration.*

[FR Doc. 2011-11252 Filed 5-6-11; 8:45 am]

**BILLING CODE 3510-DS-P**

#### DEPARTMENT OF COMMERCE

##### International Trade Administration

#### UChicago Argonne, LLC, et al.; Notice of Consolidated Decision on Applications for Duty-Free Entry of Scientific Instruments

This is a decision pursuant to Section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89-651, as amended by Pub. L. 106-36; 80 Stat. 897; 15 CFR part 301). Related records can be viewed between 8:30 a.m. and 5 p.m. in Room 3720, U.S. Department of Commerce, 14th and Constitution Ave., NW., Washington, DC.

*Docket Number:* 11-012. *Applicant:* UChicago Argonne, LLC, Lemont, IL 60439. *Instrument:* TFS500 Atomic Layer Deposition System. *Manufacturer:* Beneq OY, Finland. *Intended Use:* See notice at 76 FR 15945, March 22, 2011. *Comments:* None received. *Decision:* Approved. We know of no instruments of equivalent scientific value to the foreign instruments described below, for such purposes as each is intended to be used, that was being manufactured in the United States at the time of its order. *Reasons:* Pertinent characteristics of this instrument include its modular deposition chamber in order that the system can be reconfigured to optimize the coating process for different substrates. It also has a precursor delivery system that can be heated to 500 degrees Celsius to vaporize non-volatile chemical precursors. Lastly, it is capable of inert gas purging between the deposition chamber and outer heating chambers to contain the precursors without the need for a gas-tight seal at this junction.

*Docket Number:* 11-016. *Applicant:* UChicago Argonne, LLC, Lemont, IL 60439-4873. *Instrument:* Single Roll Presser. *Manufacturer:* A-Pro Co., Ltd.,

South Korea. *Intended Use:* See notice at 76 FR 15945, March 22, 2011.

*Comments:* None received. *Decision:* Approved. We know of no instruments of equivalent scientific value to the foreign instruments described below, for such purposes as each is intended to be used, that was being manufactured in the United States at the time of its order. *Reasons:* The instrument is unique in that it is semi-automated with a high attention to dimensional tolerances, temperature control and safety, which ensures that the research cells made will be of industrial level quality and consistency.

*Docket Number:* 11-018. *Applicant:* Purdue University, Birck Nanotechnology Center, West Lafayette, IN 47907-2057. *Instrument:* Rapid Thermal Annealer. *Manufacturer:* Quailflow Jipelec, France. *Intended Use:* See notice at 76 FR 15945, March 22, 2011. *Comments:* None received. *Decision:* Approved. We know of no instruments of equivalent scientific value to the foreign instruments described below, for such purposes as each is intended to be used, that was being manufactured in the United States at the time of its order. *Reasons:* Key characteristics of this instrument include a temperature ramp rate of 300 degrees Celsius per second, vacuum purge capability and contamination control.

Dated: May 3, 2011.

**Gregory W. Campbell,**

*Director, Subsidies Enforcement Office, Import Administration.*

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#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[C-533-821]

#### Certain Hot-Rolled Carbon Steel Flat Products From India: Final Rescission of Countervailing Duty Administrative Review

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

**DATES:** *Effective Date:* May 9, 2011.

**FOR FURTHER INFORMATION CONTACT:** Kristen Johnson, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW., Room 4014, Washington, DC 20230, *telephone:* (202) 482-4793.

**SUPPLEMENTARY INFORMATION:**