DEPARTMENT OF COMMERCE
International Trade Administration

[Import Administration, International Trade Administration, Department of Commerce.]

SUMMARY: In response to requests from interested parties, the Department of Commerce (“the Department”) is conducting the first administrative review of the antidumping duty order on oil country tubular goods (“OCTG”) from the People’s Republic of China (“PRC”), covering the period May 19, 2010, through April 30, 2011.

We have preliminarily determined that Jiangsu Chengde Steel Tube Share Co., Ltd. (“Jiangsu Chengde”), Taizhou Chengde Steel Tube Co., Ltd. (“Taizhou Chengde”), and Yangzhou Chengde Steel Tube Co., Ltd. (“Yangzhou Chengde”) (collectively “the Chengde Group”) are a single entity for purposes of this administrative review and that the Chengde Group made sales of subject merchandise in the United States at prices below normal value (“NV”) during the period of review (“POR”). If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (“CBP”) to assess common duties on these sales.

Background

On May 21, 2010, the Department published in the Federal Register the antidumping duty order on OCTG from the PRC. On May 21, 2010, the Department published in the Federal Register a notice of opportunity to request an administrative review of the antidumping duty order on OCTG from the PRC. On May 26, 2011, in accordance with 19 CFR 351.213(b)(2), Jiangsu Chengde, a foreign producer and exporter of the subject merchandise, requested that the Department review its sales of subject merchandise during the POR.

On May 31, 2011, United States Steel Corporation (“U.S. Steel”) requested that the Department conduct an administrative review of the exports of subject merchandise made by five exporters/producers during the POR.

On June 28, 2011, the Department initiated an administrative review of the antidumping duty order on OCTG from the PRC for the POR with regard to the 53 named exporters/producers. On September 19, 2011, the Department selected Jiangsu Chengde and Faray Petroleum Steel Pipe Co., Ltd. (“Faray”) as mandatory respondents in this review. During July and August 2011, four companies submitted separate rate certifications (including Jiangsu Chengde) and two companies submitted separate rate applications.

On September 19, 2011, the Department issued its antidumping duty questionnaire to Jiangsu Chengde and Faray. On September 23, 2011, U.S. Steel withdrew its request for review for all parties named in the Initiation Notice except Jiangsu Chengde.


On November 10, 2011, the Department requested that Import Administration’s Office of Policy provide a list of surrogate countries for this review. On November 28, 2011, the Office of Policy issued its list of surrogate countries.

On December 5, 2011, the Department issued a letter to interested parties seeking comments on surrogate country selection and surrogate values (“SVs”). On December 19, 2011, TMK IPSCO, Wheeland Tube Company, V&M Star, Maverick Tube Corporation (“Maverick”) and U.S. Steel provided surrogate country selection comments. On January 18, 2012, these parties also provided surrogate value comments. No interested party submitted rebuttal comments with respect to surrogate country selection or SVs.

On January 9, 2012, the Department extended the time period for completion of the preliminary results of this review.

3 The petitioners in the investigation consisted of eight parties. Not all eight parties have entered an appearance in this review.

For further information, contact Paul Stolz 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) 482–4474, and (202) 482–0414, respectively.
by 90 days until April 30, 2012. On April 24, 2012, the Department extended the time period for completing the preliminary results of review by an additional 30 days until May 30, 2012.

Scope of the Order
The POR is May 19, 2010, through April 30, 2011.

Scope of the Order
The merchandise covered by the order consists of certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (e.g., whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (“API”) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The merchandise covered by the order also covers OCTG coupling stock. Excluded from the order are casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached thread protectors; and unattached couplings; and unattached OCTG coupling stock. OCTG coupling stock is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.30.10, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.70, 7304.29.50.15, 7304.29.50.20, 7304.29.50.25, 7304.29.50.30, 7304.29.50.40, 7304.29.50.50, 7304.29.50.60, 7304.29.50.70, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00.

The HTSUS subheadings are provided for convenience and customs purposes only, the written description of the scope of the order is dispositive.

Recission of Review in Part
Pursuant to 19 CFR 351.213(d)(1), the Secretary will rescind an administrative review, in whole or in part, if a party that requested the review withdraws the request within 90 days of the date of publication of the initiation notice of the requested review. For all but one of the 53 companies for which the Department initiated an administrative review, U.S. Steel was the only party that requested the review. On September 23, 2011, U.S. Steel timely withdrew its review requests for 52 of the 53 companies for which the U.S. Steel was the only party that had requested an administrative review.


Intent To Rescind the Review in Part
Petitioner’s timely request for an administrative review included a request to conduct an administrative review of multiple companies that do not have separate rates. As described above, the U.S. Steel withdrew its review request covering these companies. Because these companies have not established their eligibility for a separate rate, these companies will continue to be considered part of the PRC-wide entity. Although the PRC-wide entity is not under review for these preliminary results, the possibility exists that the PRC-wide entity could be under review for the final results of this administrative review. Therefore, we are not rescinding this review with respect to these companies at this time but we intend to rescind this review with respect to the following companies in the final results if the PRC-wide entity is not reviewed: (1) Baoshan Iron & Steel Co., Inc.; (2) Baosteel Group; (3) Changzhou Huaye Metal Products Co., Ltd.; (4) Changzhou Qiancheng Steel Pipe Co.; (5) Freet Petroleum Equipment Group Co., Ltd.; (6) Guanzhou Juyi Steel Pipes Co., Ltd.; (7) Hebei Machinery Import & Export Co., Ltd.; (8) Hebei Zhongyuan Steel Pipe Manufacturing Co., Ltd.; (9) Hefei Zijin Steel Tube Manufacturing Co., Ltd.; (10) Hengyang Valin MPM Tube Co., Ltd.; (11) Hengyang Valin Steel Tube Co., Ltd.; (12) Huai’an Zhenda Steel Tube Manufacturing Co., Ltd.; (13) Huludao Steel Pipe Industrial Co., Ltd.; (14) Huludao City Steel Pipe Industrial Co., Ltd.; (15) Jiangsu Changbao Precision Tube Co., Ltd.; (16) Jiangsu Changhai Steel Tube Co., Ltd.; (17) Jiangsu Yulong Steel Pipe Co., Ltd.; (18) Jiangyin Chuangzhen Oil Pipe; (19) Jiangyin City Seamless Steel Tube Factory; (20) Jinan Meide Casting Co., Ltd.; (21) Northern Tool Equipment Co., Ltd.; (22) Shandong Molong Group Co.; (23) Shengli Oil Field Freet Import & Export Co., Ltd.; (24) Thermal Recovery Equipment Manufacturer of Shengli Oil Field Freet Petroleum Equipment Co., Ltd.; (25) Tianjin Pipe Group Co., Ltd.; (26) Tianjin Shuangjie Pipe Manufacturing Co., Ltd.; (27) Wuxi Fastube Industry Co., Ltd.; (28) Wuxi Huayou Special Steel Co., Ltd.; (29) Wuxi Seamless Special Pipe Co., Ltd.; (30) Tianjin Tiangang Special Petroleum Pipe Manufacturer Co., Ltd.; (31) Wuxi Baoda Petroleum Special Pipe Manufacturer Co., Ltd.; (32) Wuxi Seamless Oil Pipe Co., Ltd.; (33) Wuxi Zhenda Special Steel Tube Manufacturing Co., Ltd.; (34) Xigang Seamless Steel Tube Co., Ltd.; (35) Yangzhou Lontrin Steel Tube Co., Ltd.

Review of Yangzhou Chengde

U.S. Steel requested a review of Yangzhou Chengde and subsequently withdrew its review request with respect to this company. However, as described above and in the affiliation-collapsing memorandum, the Department has collapsed Yangzhou Chengde, Jiangsu Chengde, and Taizhou Chengde into a single entity for purposes of this administrative review. Therefore, Yangzhou Chengde continues to be subject to review in this segment of the proceeding as part of the Chengde Group.

Non-Market Economy Country Status

No interested party contested the Department’s treatment of the PRC as a non-market economy (“NME”) country in this administrative review, and the Department has treated the PRC as an NME country in all past antidumping duty investigations and administrative reviews. Designation as an NME country remains in effect until it is revoked by the Department. As such, we continue to treat the PRC as an NME in this proceeding.

Surrogate Country

When the Department conducts an administrative review of imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer’s factors of production (“FOP”), valued in a surrogate market economy (“ME”) country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in 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: (A) at a level of economic development comparable to that of the NME country; and (B) significant producers of comparable merchandise. The sources of the SVs are discussed under the “Factor Valuations” section below and in the Factor Valuation Memorandum, 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 Colombia, Indonesia, Peru, the Philippines, South Africa, Thailand, and Ukraine are countries comparable to the PRC in terms of economic development. Once the Department has identified countries that are economically comparable to the PRC, it identifies those countries which are significant producers of comparable merchandise.

TMK IPSCO, Wheatland Tube Company, and V&M Star submitted a letter stating that Indonesia is an appropriate surrogate country because: (1) Indonesia is at a level of economic development comparable to the PRC; (2) Indonesia is a significant producer of identical and comparable merchandise; and (3) the government of Indonesia has published publicly available import data covering the entire POR from which values for the major FOPs may be derived.

U.S. Steel submitted a letter stating that Indonesia is the appropriate surrogate country because: (1) Indonesia is at a level of economic development comparable to the PRC; (2) Indonesia is a significant producer of comparable merchandise; (3) Indonesia data meets the Department’s criteria: the data are appropriate for Indonesia “provide sufficient detail” to calculate surrogate financial ratios.

Maverick submitted a letter incorporating by reference the December 19, 2011, comments made by TMK IPSCO, Wheatland Tube Company, and V&M Star stating that Indonesia is an appropriate surrogate country. Maverick states that in the Final Determination, India was the primary surrogate country but India is no longer designated on the Surrogate Country List for the PRC. In addition, Maverick states that in the Final Determination the Department selected Indonesia as the source of the data used to calculate the SV for steel billets, which it claims comprises the vast majority of the cost of production of OCTG. Maverick contends that by doing so, the Department, for all practical purposes, indicated that Indonesia was the appropriate source of SVs for all primary material inputs.

After evaluating interested parties’ comments, the Department has determined that Indonesia is the appropriate surrogate country to use in this review in accordance with section 773(c)(4) of the Act, based on the following: (1) Indonesia is at a level of economic development comparable to that of the PRC; (2) Indonesia, in terms of total value of net exports, is a significant producer of comparable merchandise; and (3) Indonesian SVs are available to value all of the FOPs reported by the Chengde Group, and in accordance with the Department’s preference, this data represent non-export average values and are contemporaneous with the POR.

16 Yangzhou Chengde was covered by the initiation notice and did not receive a separate rate in the less-than-fair-value, however it is being collapsed with Jiangsu Chengde, the mandatory respondent in this review.

17 See the Department’s memorandum titled “Jiangsu Chengde Steel Tube Share Co., Ltd.—Affiliations and Collapsing” (“Affiliation/Collapsing Mems”) dated concurrently with the date of issuance of this notice.

18 See e.g., Chlorinated Isocyanurates from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, 73 FR 52845 (September 10, 2008); see also Folding Metal Tables and Chairs from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, 74 FR 3560 (January 21, 2009).

19 See section 771(18)(C)(i) of the Act.


21 See Factor Valuation Memorandum.

22 See Surrogate Country List.


25 U.S. Steel cites the Final Determination, and accompanying Issues and Decision Memorandum at Comment 20.

26 U.S. Steel cites Citric Acid and Certain Citrate Salts From the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value, 74 FR 16838 (April 13, 2009) and accompanying Issues and Decision memorandum at comment 1.


28 See Surrogate Country List.

29 See U.S. Steel’s SV Letter.
Therefore, because Indonesia represents the experience of producers of comparable merchandise operating in a surrogate country, and provides the best, and only, available information on the record of this review, we have selected Indonesia as the surrogate country. Accordingly, we have calculated NV using Indonesian import data to value Chengde’s FOPs. We have obtained and relied upon publicly available information to value all FOPs and factory overhead, sales general and administrative expenses, and profit ratios. 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 date of publication of the preliminary results of review.

Affiliation

Based on the evidence presented in Jiangsu Chengde’s questionnaire responses, we preliminarily find that Jiangsu Chengde is affiliated with Yangzhou Chengde and Taizhou Chengde, both of which are capable of producing subject merchandise, pursuant to sections 771(33)(F) of the Act. In addition, based on the information presented in Jiangsu Chengde’s questionnaire responses, we preliminarily find that Jiangsu Chengde, Taizhou Chengde, and Yangzhou Chengde, should be collapsed for the purposes of this administrative review. This finding is based on the determination that: (1) Jiangsu Chengde, Yangzhou Chengde, and Taizhou Chengde are affiliated; (2) Jiangsu Chengde is a producer of subject merchandise; (3) Yangzhou Chengde, and Taizhou Chengde are capable of producing merchandise under consideration and no retooling would be necessary in order to restructure manufacturing priorities; and (4) there is significant potential for manipulation of price or production among the parties. For further discussion, see the Affiliation/Collapsing Memo.

Separate Rates

A designation of a country as an NME remains in effect until it is revoked by the Department. 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 weighted-average dumping margin.

In the Initiation Notice, the Department notified parties of the application and certification process by which exporters may obtain separate rate status in NME proceedings. 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 ME, then a separate rate analysis is not necessary to determine whether it is independent from government control.

Separate Rate Applicants—Withdrawn Request for Review

Three companies other than the Chengde Group submitted separate rate certifications and two companies submitted separate rate applications. However, because U.S. Steel withdrew its request for review of these companies and no other company requested a review of them, their separate rate certifications/applications have not been considered for purposes of this administrative review.

Separate Rate Recipients

Jiangsu Chengde reported that it is a wholly Chinese-owned company. Therefore, the Department must analyze whether it can demonstrate the absence of both de jure and de facto governmental control over its export activities. Evidence on the record shows that Taizhou Chengde is also a wholly Chinese-owned company. Yangzhou Chengde is a joint venture with Chinese and Hong Kong ownership. Taizhou Chengde and Yangzhou Chengde are not individually eligible for separate rate consideration in this review because evidence on the record indicates they had no shipments of subject merchandise during the POR. However, for these preliminary results, the Department determines that the Chengde Group, comprised of Jiangsu Chengde, Taizhou Chengde, and Yangzhou Chengde is eligible for separate rate status.

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. The evidence provided by the Chengde Group supports a preliminary finding of the absence of de jure governmental 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.

b. Absence of De Facto Control

Typically, the Department considers four factors in evaluating whether each

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32 See 19 CFR 351.401(i)(1) and (2).
33 See section 771(18)(C)(i) of the Act.
35 See Initiation Notice.
36 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).
respondent is subject to de facto government control of its export functions: (1) Whether the export prices ("EP") 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. 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 the Chengde Group supports a preliminary finding of the absence of de facto of government control based on the following: (1) The absence of evidence that the EPs are set by or are subject to the approval of a government agency; (2) the respondents have authority to negotiate and sign contracts and other agreements; (3) the respondents have autonomy from the government in making decisions regarding the selection of management; and (4) the respondents retain the proceeds of their export sales and make independent decisions regarding disposition of profits or financing of losses.

Therefore, the evidence placed on the record of this review by the Chengde Group demonstrates an absence of de jure and de facto government control with respect to the Chengde Group's exports of the merchandise under review, in accordance with the criteria identified in Sparklers and Silicon Carbide. Accordingly, we have determined that Jiangsu Chengde has demonstrated its eligibility for a separate rate.

### Fair Value Comparisons

To determine whether sales of OCTG to the United States by the Chengde Group were made at less than NV, the Department compared EP to NV, as described in the "Export Price" and "Normal Value" sections of this notice. In these preliminary results, the Department applied the weighted-average dumping margin calculation method adopted in Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification. In particular, the Department compared monthly weighted-average EPs with monthly weighted-average normal values and granted offsets for non-dumped comparisons in the calculation of the weighted-average dumping margin.

### Export Price

In accordance with section 772(a) of the Act, we used EP for all sales reported by the Chengde Group. We calculated EP based on the packed prices to unaffiliated purchasers in, or for exportation to, the United States. We made deductions, as appropriate, for any movement expenses (e.g., foreign inland freight from the plant to the port of exportation, domestic brokerage, international freight to the port of importation, etc.) in accordance with section 772(c)(2)(A) of the Act. Where foreign inland freight or foreign brokerage and handling fees were provided by PRC service providers or paid for in reminbi, we based those charges on surrogate value rates from Indonesia. See "Factor Valuation" section below for further discussion of surrogate value rates.

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. The Chengde Group reported that it purchased international freight services from ME suppliers for transportation of the subject merchandise to the United States and paid for it in market economy currency. However, the Chengde Group in fact purchased its ocean freight from a NME provider who contracted from an ME freight provider. Therefore, because the Chengde Group purchased the ocean freight services from a NME supplier, for these preliminary results we are valuing ocean freight using an SV.

### 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 the Chengde Group provide information regarding the weighted-average FOPs across all of the company’s plants and/or suppliers that produce the merchandise under consideration, not just the FOPs from a single plant or supplier. This methodology ensures that the Department’s calculations are as accurate as possible.

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 the Chengde Group for direct materials, energy, labor, and packing materials.

The Chengde Group reported that it generates steel scrap during the production process of merchandise under consideration and requested an

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40 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).

41 See Jiangsu Chengde’s AQR, at A–7–A–8 and Exhibit A–9.

42 Id.

43 See Jiangsu Chengde’s AQR, at A–9–A–10 and Exhibit A–3.

44 See Jiangsu Chengde’s AQR at A–11.

45 Yangzhou Chengde and Taizhou Chengde, which are part of the collapsed entity, are not eligible for separate rates because they had no shipments of subject merchandise during the POR.


47 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).

48 See Jiangsu Chengde’s section C questionnaire response at page C–24 and Exhibit C–4.


50 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.
offset for this scrap. However, the Department’s policy is to grant scrap offsets for scrap produced, not sold, during the POR. The Chengde Group reported that it does not track scrap when it is produced but collects scrap and weighs it when it is sold. Because the Chengde Group has not established that the steel scrap it sold during the POR was produced during the POR, for the preliminary results, the Department has determined that the Chengde Group is not entitled to a byproduct offset for steel scrap in its margin calculation.

Factor Valuations

In accordance with section 773(c) of the Act, the Department calculated NV based on FOPs reported by the Chengde Group for the POR. To calculate NV, the Department multiplied the reported per-unit factor consumption quantities by publicly available Indonesian 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 Indonesian import surrogate values an Indonesian surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory. This adjustment is in accordance with the 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 the Chengde Group’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 Indonesian import statistics in the Global Trade Atlas (“GTA”) and other publicly available Indonesian sources in order to calculate SVs for the Chengde Group’s FOPs (i.e., direct materials, energy, and packaging 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. The record shows that data in the Indonesian import statistics, as well as those from the other Indonesian sources, are contemporaneous with the POR, product-specific, and tax-exclusive. 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 Indonesian Producer Price Index (“PPI”) inflators for laborers as published in the International Monetary Fund’s International Financial Statistics.

Furthermore, with regard to Indonesian import-based SVs, we have disregarded prices that we have reason to believe or suspect may be subsidized, such as those from South Korea, India, 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. 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. 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 SVs using Indonesian import data.

In these preliminary results, the Department calculated the cost of labor using data on industry-specific labor cost from the primary surrogate country (i.e., Indonesia), as described in Labor Methodologies. The Department relied on the International Labor Organization (“ILO”) Yearbook of Labor Statistics (“Yearbook”) Chapter 6A labor cost data for Indonesia for the year 2008, because this is the most recent Chapter 6A data available for Indonesia. The Department further determined that the two-digit description under ISIC–Revision 3–D (“28–Manufacture of Fabricated Metal Products”) is the best available information because it is specific to the industry being examined and, therefore, is derived from industries that produce comparable merchandise. Accordingly, relying on Chapter 6A of the Yearbook, the Department calculated the labor input using labor cost data reported by Indonesia to the ILO under Sub-Classification 28 of the ISIC–Revision 3–D, in accordance with section 773(c)(4) of the Act. For further information on the calculation of the wage rate, see

The ILO data from Chapter 6A of the Yearbook, which was used to value labor, reflects all costs related to labor, including wages, benefits, housing, training, etc. Pursuant to Labor Methodologies, the Department’s practice is to consider whether financial ratios reflect labor expenses that are included in other elements of the respondent’s factors of production (e.g., general and administrative expenses). The financial statements used to calculate financial ratios for this review were sufficiently detailed to allow the Department to isolate labor expenses from other expenses such as selling, general and administrative expenses. Therefore, the Department revised its calculation of surrogate financial ratios consistent with Labor Methodologies to exclude items incorporated in the labor wage rate data in Chapter 6A of the ILO data. As a result, bonuses and other forms of compensation included in the ILO’s calculation of wages are now excluded from our calculation of labor in our surrogate financial ratios. For these preliminary results the Department did not separately value labor wages for the Chengde Group.

energy inputs reported by the Chengde Group, i.e., electricity, coal, coal tar, and water because the financial statement used to calculate factory overhead, selling, general and administrative expenses, and profit did not break out energy expenses. Therefore these expenses are included in the calculated financial ratios. Thus, separately valuing energy inputs would result in double-counting.\(^{62}\)

We valued truck freight expenses using data from an Indonesian freight forwarder, PT. Mantap Abiah Abadi, for the month of September 2011. We valued brokerage and handling expenses using the World Bank publication “Doing Business 2011: Indonesia.”

We valued marine insurance using a price quote for July 2010, which we obtained from RIG Consultants. RIG Consultants is a market-economy provider of marine insurance. We did not inflate this rate since it is contemporaneous with the POR.\(^{63}\)

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, the Department valued overhead, SG&A using the financial statements of PT Citra Tubindo, a manufacturer and service provider for oilfield tubular goods.

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

**Weighted-Average Dumping Margin**

The preliminary weighted-average dumping margin is as follows:

<table>
<thead>
<tr>
<th>Exporter</th>
<th>Weighted-average dumping margin (percent)</th>
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<tbody>
<tr>
<td>Jiangsu Chengde, Yangzhou Chengde, Taizhou Chengde (collectively, The Chengde Group)</td>
<td>185.84</td>
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**Disclosure and Public Comment**

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). Interested parties may submit written comments no later than 30 days after the date of publication of these preliminary results of review.\(^{64}\) Rebuttals to written comments may be filed no later than five days after the written comments are filed.\(^{65}\)

Any interested party may request a hearing within 30 days of publication of this notice.\(^{66}\) Interested parties, who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, filed electronically using Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). Requests should contain the party’s name, address, and telephone number, the number of participants, and a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing, which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230, at a time and location to be determined.\(^{67}\) Parties should confirm by telephone the date, time, and location of the hearing. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in the briefs, within 120 days of publication of these preliminary results, in accordance with section 751(a)(3)(A) of the Act.

**Assessment Rates**

Upon issuance of the final results, the Department will determine and CBP shall assess, antidumping duties on all appropriate entries covered by this review.\(^{68}\) The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. For any individually examined respondent whose weighted-average dumping margin is above de minimis (i.e., 0.50 percent) in the final results of this review, we will calculate importer-specific assessment rates based on the resulting per-unit rates. Where an importer- (or customer-) specific ad valorem or per-unit rate is greater than de minimis, we will instruct CBP to collect the appropriate duties at the time of liquidation.\(^{70}\) Where an importer- (or customer-) specific ad valorem or per-unit rate is zero or de minimis, we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.\(^{71}\)

**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 the Chengde Group, which has a separate rate, the cash deposit rate will be that established in the final results of this review (except, if the rate is zero or de minimis, then zero cash deposit will be required). Where we calculate a weighted-average dumping margin by dividing the total amount of dumping for reviewed sales to that party by the total sales quantity associated with those transactions, we will direct CBP to assess importer-specific assessment rates based on the resulting per-unit rates. Where an importer- (or customer-) specific ad valorem or per-unit rate is greater than de minimis, we will instruct CBP to collect the appropriate rates based on the resulting per-unit rates. Where an importer- (or customer-) specific ad valorem or per-unit rate is zero or de minimis, we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.


\(^{63}\) See Factor Valuation Memorandum.

\(^{64}\) See 19 CFR 351.308(c).

\(^{65}\) See 19 CFR 351.309(d).

\(^{66}\) See 19 CFR 351.310(c).

\(^{67}\) See 19 CFR 351.310.

\(^{68}\) See 19 CFR 351.212(b).

\(^{69}\) In these preliminary results, the Department applied the assessment rate calculation method adopted in Final Modification for Reviews, i.e., on the basis of monthly average-to-average comparisons using only the transactions associated with that importer with offsets being provided for non-dumped comparisons. See Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification, 77 FR 8103, February 14, 2012.

\(^{70}\) See 19 CFR 351.212(b)(1).

\(^{71}\) See 19 CFR 351.106(c)(2).
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 existing exporter-specific rate; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 99.14 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 reminder to importers of their responsibility under 19 CFR 351.213. This notice is in accordance with sections 751(a)(1) and 777(i) of the Act and 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.


Paul Piquado,
Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

National Fire Codes: Request for Public Input for Revision of Codes and Standards

AGENCY: National Institute of Standards and Technology, Commerce.

ACTION: Notice.

SUMMARY: This notice contains the list of National Fire Protection Association (NFPA) documents opening for Public Input, and it also contains information on the NFPA Revision Process. The National Institute of Standards and Technology (NIST) is publishing this notice on behalf of the National Fire Protection Association (NFPA) to announce the NFPA’s proposal to revise some of its fire safety codes and standards and requests Public Input to amend existing or begin the process of developing new NFPA fire safety codes and standards. The purpose of this request is to increase public participation in the system used by NFPA to develop its codes and standards.

DATES: Interested persons may submit Public Input by 5:00 p.m. EST/EDST on or before the date listed with the code or standard.

ADDRESSES: Amy Beasley Cronin, Secretary, Standards Council, NFPA, 1 Batterymarch Park, Quincy, Massachusetts 02169–7471.

FOR FURTHER INFORMATION CONTACT: Amy Beasley Cronin, NFPA, Secretary, Standards Council, at above address, (617) 770–3000, David F. Alderman, NIST, at 301–975–4019.

SUPPLEMENTARY INFORMATION: The National Fire Protection Association (NFPA) proposes to revise some of its fire safety codes and standards and requests Public Input to amend existing or begin the process of developing new NFPA fire safety codes and standards. The purpose of this request is to increase public participation in the system used by NFPA to develop its codes and standards. The publication of this notice of request for Public Input by the National Institute of Standards and Technology (NIST) on behalf of NFPA is being undertaken as a public service; NIST does not necessarily endorse, approve, or recommend any of the standards referenced in the notice.

The NFPA process provides ample opportunity for public participation in the development of its codes and standards. All NFPA codes and standards are revised and updated every three to five years in Revision Cycles that begin twice each year and take approximately two years to complete. Each Revision Cycle proceeds according to a published schedule that includes final dates for all major events in the process. The Code Revision Process contains four basic steps that are followed for developing new documents as well as revising existing documents. Step 1: Public Input Stage, which results in the First Draft Report (formerly ROP); Step 2: Comment Stage, which results in the Second Draft Report (formerly ROC); Step 3: The Association Technical Meeting at the NFPA Conference & Expo; and Step 4: Standards Council consideration and issuance of documents.

Note: NFPA rules state that, anyone wishing to make Amending Motions on the Public Comments, Second Revisions, or Committee Comments must signal his or her intention by submitting a Notice of Intent to Make a Motion by 5:00 p.m. EST/EDST of the Deadline stated in the Second Draft Report. Certified motions will then be posted on the NFPA Web site. Documents that receive notice of proper Amending Motions (Certified Amending Motions) will be presented for action at the Association Technical Meeting at the NFPA Conference & Expo. Documents that receive no motions will be forwarded directly to the Standards Council for action on issuance.

For more information on these rules and for up-to-date information on schedules and deadlines for processing NFPA Codes and Standards, check the NFPA Web site at www.nfpa.org, or contact NFPA Codes and Standards Administration.

Background

The National Fire Protection Association (NFPA) develops building, fire, and electrical safety codes and standards. Federal agencies frequently use these codes and standards as the basis for developing Federal regulations concerning fire safety. Often, the Office of the Federal Register approves the incorporation by reference of these standards under 5 U.S.C. 552(a) and 1 CFR part 51.

When a Technical Committee begins the development of a new or revised NFPA code or standard, it enters one of two Revision Cycles available each year. The Revision Cycle begins with the Call for Public Input, that is, a public notice asking for any interested persons to submit specific Input for developing or revising a code or standards. The Call for Public Input is published in a variety of publications.

Following the Call for Public Input period, the Technical Committee holds a meeting to consider all the submitted Public Input and make Revisions accordingly. A document known as the First Draft Report (formerly ROP), is prepared containing all the Public Input, the Technical Committee’s response to each Input, as well as all Committee-generated First Revisions. The First Draft is then submitted for the approval of the Technical Committee by a formal written ballot. Any Revisions that do not receive approval by a two-thirds vote calculated in accordance with NFPA rules will not appear in the First Draft. If the necessary approval is received, the Revisions are published in the First Draft Report that is posted on the NFPA Web site at www.nfpa.org for public review and comment, and the process continues to the next step.

Once the First Draft Report becomes available, there is a 10 week comment period during which anyone may submit a Comment on the proposed changes in the First Draft Report. The