

imaginary extension of a street or road, or a point-to-point line.

**Statistical geographic entity**—A geographic entity that is specially defined and delineated, such as block group, CDP, or census tract, so that the Census Bureau may tabulate data for it. Designation as a statistical entity neither conveys nor confers legal ownership, entitlement, or jurisdictional authority.

**Urbanized area (UA)**—An area consisting of a central place(s) and adjacent urban fringe that together have a minimum residential population of at least 50,000 people and generally an overall population density of at least 1,000 people per square mile. The Census Bureau uses published criteria to determine the qualification and boundaries of UAs at the time of each decennial census or from the results of a special census during the intercensal period.

**Visible feature**—A map feature that can be seen on the ground, such as a road, railroad track, major above-ground transmission line or pipeline, stream, shoreline, fence, sharply defined mountain ridge, or cliff. A nonstandard visible feature is a feature that may not be clearly defined on the ground (such as a ridge), may be seasonal (such as an intermittent stream), or may be relatively impermanent (such as a fence). The Census Bureau generally requests verification that nonstandard features pose no problem in their location during field work.

**Zona urbana**—In Puerto Rico, the settled area functioning as the seat of government for a municipio. A zona urbana cannot cross a municipio boundary.

#### *Executive Order 12866*

This notice has been determined to be not significant under Executive Order 12866.

#### *Paperwork Reduction Act*

This program notice does not represent a collection of information subject to the requirements of the Paperwork Reduction Act, 44 U.S.C., Chapter 35.

Dated: February 8, 2008.

**Steve H. Murdock,**

*Director, Bureau of the Census.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration [A-570-890]

#### Wooden Bedroom Furniture From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, Preliminary Results of New Shipper Review and Partial Rescission of Administrative 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 wooden bedroom furniture from the People's Republic of China (“PRC”). The period of review (“POR”) for this administrative review is January 1, 2006, through December 31, 2006. This administrative review covers multiple producers/exporters of the subject merchandise, three of which are being individually investigated as mandatory respondents. The Department is also conducting a new shipper review for an exporter/producer. The POR for the new shipper review is also January 1, 2006, through December 31, 2006.

We preliminarily determine that all three mandatory respondents in the administrative review made sales in the United States at prices below normal value (“NV”). With respect to the remaining respondents in the administrative review (herein after collectively referred to as the Separate-Rate Applicants), we preliminarily determine that 30 entities have provided sufficient evidence that they are separate from the state-controlled entity, and we have established a weighted-average margin based on the rates we have calculated for the three mandatory respondents, excluding any rates that are zero, *de minimis*, or based entirely on adverse facts available, to be applied to these separate rate entities. In addition, we have determined to rescind the review with respect to three entities in this administrative review. See “Partial Rescission” section below. Further, we preliminarily determine that the remaining separate-rate applicants have not demonstrated that they are entitled to a separate rate, and will thus be considered part of the PRC entity. Finally, we preliminarily determine that the new shipper made sales in the United States at prices below normal value. If these preliminary results are adopted in our 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 statement of the issue and a brief summary of the argument. We intend to issue the final results of this review no later than 120 days from the date of publication of this notice.

**EFFECTIVE DATE:** February 13, 2008.

**FOR FURTHER INFORMATION CONTACT:** Paul Stoltz or Hua Lu, 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) 482-6478, respectively.

#### **Background**

On January 4, 2005, the Department published in the **Federal Register** the antidumping duty order on wooden bedroom furniture from the PRC. See *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Wooden Bedroom Furniture from the People's Republic of China*, 70 FR 329 (January 4, 2005). On January 3, 2007, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on wooden bedroom furniture from the PRC for the period January 1, 2006, through December 31, 2006. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation: Opportunity to Request Administrative Review*, 72 FR 99 (January 3, 2007). On March 7, 2007, the Department initiated the second administrative review of the antidumping duty order on wooden bedroom furniture from the PRC. See *Notice of Initiation of Administrative Review of the Antidumping Duty Order on Wooden Bedroom Furniture from the People's Republic of China*, 72 FR 10159 (March 7, 2007) (“*Initiation Notice*”). Additionally, on March 7, 2007, the Department initiated new shipper reviews of the order with respect to the following two companies: Golden Well International (HK), Ltd. (“Golden Well”) and its supplier Zhangzhou XYM Furniture Product Co., Ltd. and Mei Jia Ju Furniture Industrial (Shenzhen) Co., Ltd. (“Mei Jia Ju”). See *Notice of Initiation of New Shipper Reviews on Wooden Bedroom Furniture from the*

*People's Republic of China*, 72 FR 10158 (March 7, 2007) ("New Shipper Initiation Notice"). Further, on May 30, 2007, the Department added one company to the administrative review which was inadvertently omitted from the *Initiation Notice*. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 72 FR 29968 (May 30, 2007).

Between March 7 and March 14, 2007, the Department issued quantity and value ("Q&V") questionnaires, separate-rate certifications, and separate-rate applications to the 197 named firms for which the Department initiated an administrative review. Between March 21 and May 7, 2007, the Department received separate-rate certifications from 124 entities, separate-rate applications from 25 entities, and Q&V questionnaire responses from 183 entities.

On April 5, 2007, Petitioners<sup>1</sup> requested that the Department determine whether antidumping duties have been absorbed by certain exporters or producers. Also, on April 5, 2007, Petitioners submitted comments with respect to respondent selection. On April 20, 2007, Shing Mark Enterprises Co. Ltd., Carven Industries Limited (VI), Carven Industries Limited (HK), Dongguan Zhenxin Furniture Co., Ltd. And Dongguan Yongpeng Furniture Co., Ltd. (collectively, "Shing Mark") submitted comments with respect to respondent selection.

Because of the large number of companies subject to this review, on June 20, 2007, the Department issued its respondent-selection memorandum, selecting the following three companies as mandatory respondents in this administrative review: (1) Shanghai Starcorp Furniture Co., Ltd., Starcorp Furniture (Shanghai) Co., Ltd., Orin Furniture (Shanghai) Co., Ltd., Shanghai Star Furniture Co., Ltd., and Shanghai Xing Ding Furniture Industrial Co., Ltd. (collectively, "Starcorp"); (2) Jiangsu Dare Furniture Co., Ltd., Fujian Lianfu Forestry Co., Ltd. aka Fujian Wonder Pacific Inc., and Fuzhou Huan Mei Furniture Co., Ltd. (collectively "Dare Group"); and (3) Teamway Furniture (Dong Guan) Co. Ltd., and Brittomart Inc. (collectively "Teamway"). See *Antidumping Duty Administrative Review of Wooden Bedroom Furniture from the People's Republic of China: Selection of Respondents*, dated June 20, 2007.

<sup>1</sup> The Petitioners in this case are the American Furniture Manufacturers Committee for Legal Trade and Vaughan-Bassett Furniture Company.

On June 21, 2007, the Department issued its questionnaire to the Dare Group, Starcorp and Teamway. On August 20, 2007, Starcorp withdrew its request for the Department to conduct the second administrative review and its participation in this review. On August 31, 2007, Petitioners requested that the Department conduct verification of the Dare Group and Teamway.

Between March 7 and June 6, 2007, several parties withdrew their requests for administrative review. On August 2, 2007, the Department published a notice rescinding the review with respect to the entities for whom all review requests had been withdrawn. See *Notice of Partial Rescission of the Antidumping Duty Administrative Review on Wooden Bedroom Furniture from the People's Republic of China*, 72 FR 42396 (August 2, 2007).

On May 29, 2007, Golden Well withdrew its request for a new shipper review. See *Notice of Partial Rescission of New Shipper Review on Wooden Bedroom Furniture from the People's Republic of China*, 72 FR 50933 (September 5, 2007).

On August 20, 2007, Leefu Wood (Dongguan) Co., Ltd. ("Leefu") and King Rich International Ltd. ("King Rich") sent a letter to the Department informing us that one of Leefu's shareholders had set up two companies which will export subject merchandise in the future and that all of Leefu's subject merchandise will be exported through King Rich, Unique Furniture Co., Ltd. ("Unique Furniture") and Classic Furniture Co., Ltd. ("Classic Furniture"). None of the aforementioned firms, (i.e., Unique Furniture, Classic Furniture, Leefu or King Rich) are being reviewed in this proceeding. On September 5, 2007, Petitioners responded to Leefu and King Rich's letter, stating that while Leefu and King Rich collectively have a separate-rate from the investigation, neither Unique Furniture nor Classic Furniture has been granted separate rate status, and therefore, entries should receive the cash deposit rate of 216.01 percent.

Additionally, Petitioners state that the proper venue to address a change in legal structure would be the next review period. Consistent with our normal practice, we find the proper place to address Leefu's change in ownership would be either a changed circumstances review or within the context of an administrative review. See *Wooden Bedroom Furniture from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 72 FR 60812 (October 26, 2007). Because neither Leefu or King Rich are part of the

current administrative review, we will not address whether Unique Furniture or Classic Furniture are part of the Leefu and King Rich group of companies.

On August 27, 2007, pursuant to 19 CFR 351.214(j)(3), Mei Jia Ju agreed to waive the time limits applicable to the new shipper review and to allow for the conduct of its new shipper review concurrently with the administrative review. See Memorandum to the file, *Wooden Bedroom Furniture from the People's Republic of China—Alignment of the 1/1/06–12/31/06 Annual Administrative and New Shipper Review*, dated August 27, 2007.

On September 28, 2007, Petitioners withdrew their review request of Zhangjiagang Zhen Yan Decoration Co. Ltd. ("Zheng Yan") (see the "Partial Rescission" section of this notice, below).

On October 5, 2007, the Department issued a letter to interested parties seeking comments on surrogate country selection and surrogate values. On October 19, 2007, Petitioners, Teamway, and American Signature, Inc. ("ASI") submitted comments regarding the selection of a surrogate country. Additionally, on October 29 and November 8, 19, and 29, 2007, Petitioners and ASI submitted rebuttal surrogate country comments. Also, on November 8, 2007, Teamway and Petitioners submitted surrogate value information.

On October 1, 2007, we extended the deadline for the issuance of the preliminary results of the administrative review and new shipper review until January 31, 2008. See *Wooden Bedroom Furniture from the People's Republic of China: Extension of Time Limits for the Preliminary Results of the Antidumping Duty Administrative Review and New Shipper Reviews*, 72 FR 57913 (October 11, 2007).

Between November 8 and November 29, 2007, ASI, Teamway and Petitioners submitted surrogate value information and comments regarding selection of surrogate values.

On November 19, 2007, Petitioners made submissions to the Department in which they argued that ASI, a U.S. importer of subject merchandise, does not have a stake in the outcome of this segment of the proceeding and, therefore, the Department should reject ASI's submissions concerning surrogate country selection and surrogate values. Moreover, Petitioners argued that the Department should deny ASI's representatives' access to business proprietary information under

administrative protective order (“APO”).<sup>2</sup>

On November 21, 2007, ASI submitted a rebuttal to Petitioners’ comments. ASI argued that Petitioners’ standing in this review could be challenged on the basis that Petitioners did not submit supporting documentation establishing that they produced subject merchandise during the POR. Moreover, ASI contended that Petitioners have not submitted any documentation supporting their arguments with respect to ASI’s standing.

Pursuant to the Act, ASI, as an importer of subject merchandise, is an interested party to the proceeding. See Section 771(9)(A) of the Tariff Act of 1930, as amended (“the Act”) which defines an interested party as “a foreign manufacturer, producer, or exporter, or the United States importer, of subject merchandise \* \* \*.” Additionally, the Act does not further detail any specifications, conditions, or restrictions with respect to the eligibility of an importer of subject merchandise in terms of its designation as an interested party or its rights thereas. As Petitioners point out in their November 20, 2007, submission at 3–4, on July 26, 2007, ASI submitted a CBP form (*i.e.*, CF 7501 Entry Summary), confirming that ASI imported subject merchandise during the POR. Thus, we find that ASI is an interested party that is eligible to make submissions on the record of this review and whose representative is eligible to receive business proprietary information under APO as long as it meets the APO eligibility requirements.

#### Company-Specific Chronology

As described above, the Department issued its antidumping questionnaire to the three mandatory respondents. Upon receipt of the various responses, the Petitioners provided comments and the Department issued supplemental questionnaires. Because the chronology of this stage of the administrative review is extensive and varies by respondent, the Department has separated this portion of the background section by company.

#### Dare Group

On June 21, 2007, the Department issued its antidumping questionnaire to the Dare Group. The Dare Group submitted its response to section A of the Department’s questionnaire on July 26, 2007, and submitted its responses to sections C and D of the Department’s

questionnaire on August 20, 2007. The Department issued supplemental questionnaires with respect to sections A and C to the Dare Group on November 7, 2007. The Department issued a supplemental questionnaire with respect to section D to the Dare Group on November 9, 2007. The Dare Group submitted its response to the sections A and C supplemental questionnaire on December 5, 2007, and to the section D supplemental questionnaire on December 14, 2007.

#### Teamway

On June 21, 2007, the Department issued its antidumping questionnaire to Teamway. On July 31, 2007, Teamway submitted its response to section A of the Department’s questionnaire. On August 21 and August 23, 2007, Teamway submitted its response to sections C and D of the Department’s questionnaire. The Department issued a supplemental questionnaire with respect to sections A, C, and D to Teamway on November 1, 2007, to which Teamway responded on December 4, 2007. On November 8, 2007, Teamway submitted surrogate value information. The Department issued a supplemental factors-of-production (“FOP”) questionnaire to Teamway on November 3, 2007, and received a response on November 26, 2007. On January 2 and January 4, 2008, Teamway submitted revised databases with the FOP information.

#### Mei Jia Ju and Starcorp

For a complete discussion of Mei Jia Ju’s and Starcorp’s company-specific chronologies, see the “Facts Available” section of this notice, below.

#### Period of Review

The POR is January 1, 2006, through December 31, 2006.

#### Scope of the Order

The product covered by the order is wooden bedroom furniture. Wooden bedroom furniture is generally, but not exclusively, designed, manufactured, and offered for sale in coordinated groups, or bedrooms, in which all of the individual pieces are of approximately the same style and approximately the same material and/or finish. The subject merchandise is made substantially of wood products, including both solid wood and also engineered wood products made from wood particles, fibers, or other wooden materials such as plywood, oriented strand board, particle board, and fiberboard, with or without wood veneers, wood overlays, or laminates, with or without non-wood components or trim such as metal,

marble, leather, glass, plastic, or other resins, and whether or not assembled, completed, or finished.

The subject merchandise includes the following items: (1) Wooden beds such as loft beds, bunk beds, and other beds; (2) wooden headboards for beds (whether stand-alone or attached to side rails), wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds; (3) night tables, night stands, dressers, commodes, bureaus, mule chests, gentlemen’s chests, bachelor’s chests, lingerie chests, wardrobes, vanities, chessters, chiffrobes, and wardrobe-type cabinets; (4) dressers with framed glass mirrors that are attached to, incorporated in, sit on, or hang over the dresser; (5) chests-on-chests,<sup>3</sup> highboys,<sup>4</sup> lowboys,<sup>5</sup> chests of drawers,<sup>6</sup> chests,<sup>7</sup> door chests,<sup>8</sup> chiffoniers,<sup>9</sup> hutches,<sup>10</sup> and armoires;<sup>11</sup> (6) desks, computer stands, filing cabinets, bookcases, or writing tables that are attached to or incorporated in the subject merchandise; and (7) other bedroom furniture consistent with the above list.

The scope of the order excludes the following items: (1) Seats, chairs, benches, couches, sofas, sofa beds, stools, and other seating furniture; (2) mattresses, mattress supports (including box springs), infant cribs, water beds, and futon frames; (3) office furniture, such as desks, stand-up desks, computer cabinets, filing cabinets, credenzas, and

<sup>3</sup> A chest-on-chest is typically a tall chest-of-drawers in two or more sections (or appearing to be in two or more sections), with one or two sections mounted (or appearing to be mounted) on a slightly larger chest; also known as a tallboy.

<sup>4</sup> A highboy is typically a tall chest of drawers usually composed of a base and a top section with drawers, and supported on four legs or a small chest (often 15 inches or more in height).

<sup>5</sup> A lowboy is typically a short chest of drawers, not more than four feet high, normally set on short legs.

<sup>6</sup> A chest of drawers is typically a case containing drawers for storing clothing.

<sup>7</sup> A chest is typically a case piece taller than it is wide featuring a series of drawers and with or without one or more doors for storing clothing. The piece can either include drawers or be designed as a large box incorporating a lid.

<sup>8</sup> A door chest is typically a chest with hinged doors to store clothing, whether or not containing drawers. The piece may also include shelves for televisions and other entertainment electronics.

<sup>9</sup> A chiffonier is typically a tall and narrow chest of drawers normally used for storing undergarments and lingerie, often with mirror(s) attached.

<sup>10</sup> A hutch is typically an open case of furniture with shelves that typically sits on another piece of furniture and provides storage for clothes.

<sup>11</sup> An armoire is typically a tall cabinet or wardrobe (typically 50 inches or taller), with doors, and with one or more drawers (either exterior below or above the doors or interior behind the doors), shelves, and/or garment rods or other apparatus for storing clothes. Bedroom armoires may also be used to hold television receivers and/or other audio-visual entertainment systems.

<sup>2</sup> See also Petitioner’s January 14, 2008, submission.

bookcases; (4) dining room or kitchen furniture such as dining tables, chairs, servers, sideboards, buffets, corner cabinets, china cabinets, and china hutches; (5) other non-bedroom furniture, such as television cabinets, cocktail tables, end tables, occasional tables, wall systems, book cases, and entertainment systems; (6) bedroom furniture made primarily of wicker, cane, osier, bamboo or rattan; (7) side rails for beds made of metal if sold separately from the headboard and footboard; (8) bedroom furniture in which bentwood parts predominate;<sup>12</sup> (9) jewelry armoires;<sup>13</sup> (10) cheval mirrors;<sup>14</sup> (11) certain metal parts;<sup>15</sup> (12) mirrors that do not attach to, incorporate in, sit on, or hang over a dresser if they are not designed and marketed to be sold in conjunction with

<sup>12</sup> As used herein, bentwood means solid wood made pliable. Bentwood is wood that is brought to a curved shape by bending it while made pliable with moist heat or other agency and then set by cooling or drying. See Customs' Headquarters' Ruling Letter 043859, dated May 17, 1976.

<sup>13</sup> Any armoire, cabinet or other accent item for the purpose of storing jewelry, not to exceed 24" in width, 18" in depth, and 49" in height, including a minimum of 5 lined drawers lined with felt or felt-like material, at least one side door (whether or not the door is lined with felt or felt-like material), with necklace hangers, and a flip-top lid with inset mirror. See Issues and Decision Memorandum from Laurel LaCivita to Lauria Parkhill, Office Director, Concerning Jewelry Armoires and Cheval Mirrors in the Antidumping Duty Investigation of Wooden Bedroom Furniture from the People's Republic of China, dated August 31, 2004. See also *Wooden Bedroom Furniture from the People's Republic of China: Notice of Final Results of Changed Circumstances Review and Revocation in Part*, 71 FR 38621 (July 7, 2006).

<sup>14</sup> Cheval mirrors are any framed, tilttable mirror with a height in excess of 50" that is mounted on a floor-standing, hinged base. Additionally, the scope of the order excludes combination cheval mirror/jewelry cabinets. The excluded merchandise is an integrated piece consisting of a cheval mirror, *i.e.*, a framed tilttable mirror with a height in excess of 50 inches, mounted on a floor-standing, hinged base, the cheval mirror serving as a door to a cabinet back that is integral to the structure of the mirror and which constitutes a jewelry cabinet lined with fabric, having necklace and bracelet hooks, mountings for rings and shelves, with or without a working lock and key to secure the contents of the jewelry cabinet back to the cheval mirror, and no drawers anywhere on the integrated piece. The fully assembled piece must be at least 50 inches in height, 14.5 inches in width, and 3 inches in depth. See *Wooden Bedroom Furniture From the People's Republic of China: Final Results of Changed Circumstances Review and Determination To Revoke Order in Part*, 72 FR 948 (January 9, 2007).

<sup>15</sup> Metal furniture parts and unfinished furniture parts made of wood products (as defined above) that are not otherwise specifically named in this scope (*i.e.*, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds) and that do not possess the essential character of wooden bedroom furniture in an unassembled, incomplete, or unfinished form. Such parts are usually classified under the Harmonized Tariff Schedule of the United States ("HTSUS") subheading 9403.90.7000.

a dresser as part of a dresser-mirror set; and (13) upholstered beds.<sup>16</sup>

Imports of subject merchandise are classified under subheading 9403.50.9040 of the HTSUS as "wooden \* \* \* beds" and under subheading 9403.50.9080 of the HTSUS as "other \* \* \* wooden furniture of a kind used in the bedroom." In addition, wooden headboards for beds, wooden footboards for beds, wooden side rails for beds, and wooden canopies for beds may also be entered under subheading 9403.50.9040 of the HTSUS as "parts of wood" and framed glass mirrors may also be entered under subheading 7009.92.5000 of the HTSUS as "glass mirrors \* \* \* framed." This order covers all wooden bedroom furniture meeting the above description, regardless of tariff classification. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

#### Partial Rescission of Administrative Review

On September 28, 2007, Petitioners withdrew their administrative review request with respect to Zheng Yan. Petitioners stated that although the regulatory deadline for withdrawal of requests for review had passed, the Department could still exercise its discretion to extend the time for accepting for withdrawal and therefore could rescind the review for Zheng Yan. We have determined to grant Petitioners' withdrawal of its request to review Zheng Yan. Although Petitioners submitted their withdrawal request after the 90-day regulatory deadline at 19 CFR 351.213(d)(1), the Department had already completed its selection of mandatory respondents and Zheng Yan was not selected as a mandatory respondent in this administrative review. Therefore, the Department's selection process of the mandatory respondents for this administrative review was not compromised by Petitioners' late withdrawal request. Furthermore, the Department had not expended significant resources as of the date of Petitioners' withdrawal request. Therefore, the Department is extending

<sup>16</sup> Upholstered beds that are completely upholstered, *i.e.*, containing filling material and completely covered in sewn genuine leather, synthetic leather, or natural or synthetic decorative fabric. To be excluded, the entire bed (headboards, footboards, and side rails) must be upholstered except for bed feet, which may be of wood, metal, or any other material and which are no more than nine inches in height from the floor. See *Wooden Bedroom Furniture from the People's Republic of China: Final Results of Changed Circumstances Review and Determination to Revoke Order in Part*, 72 FR 7013 (February 14, 2007).

the time for accepting requests for withdrawal and is partially rescinding the administrative review with respect to Zheng Yan.

Further, the Department is partially rescinding this review with respect to Winny Universal, Ltd. and Zhongshan Winny Furniture Ltd. In Winny Overseas Ltd.'s separate-rate application, it stated that neither Winny Universal, Ltd. nor Zhongshan Winny Furniture Ltd. had exports of subject merchandise during the POR. See Winny Overseas Ltd. Separate Rate Application, dated April 5, 2007. Our review of the CBP import data did not reveal any contradictory information.

#### Duty Absorption

On April 5, 2007, Petitioners requested that the Department determine whether the mandatory respondents and separate-rate respondents had absorbed antidumping duties for U.S. sales of wooden bedroom furniture made during the POR. Section 751(a)(4) of the Act provides for the Department, if requested, to determine during an administrative review initiated two or four years after publication of the order, whether antidumping duties have been absorbed by a foreign producer or exporter, if the subject merchandise is sold in the United States through an affiliated importer. Pursuant to section 777A(f)(2)(B) of the Act, we selected three exporters (*i.e.*, the Dare Group, Starcorp, and Teamway) as mandatory respondents in this administrative review. Both the Dare Group and Teamway only sold subject merchandise as export price sales. Because neither of these companies sold subject merchandise through an affiliated U.S. importer, we did not investigate whether the Dare Group and Teamway absorbed duties. See section 751(a)(4) of the Act. Also, because Starcorp decided not to participate in this review, we did not have adequate information to investigate whether Starcorp absorbed duties. See section 751(a)(4) of the Act.

Petitioners also requested that the Department investigate whether separate-rate respondents had absorbed duties. Because of the large number of companies subject to this review, the Department only selected three companies as mandatory respondents in this administrative review and thus only issued its complete questionnaire to these companies. In determining whether antidumping duties have been absorbed, the Department requires certain specific data (*i.e.*, U.S. sales data) to ascertain whether those sales have been made at less than NV. Since U.S. sales data is only obtained from the

complete questionnaire (*i.e.*, only mandatory respondents submit U.S. sales data), and the separate-rate respondents were required only to provide information on their separate-rate status (*i.e.*, not required to provide any U.S. sales data), we do not have the information necessary to assess whether the separate-rate respondents absorbed duties. Accordingly, the separate-rate respondents were not selected as mandatory respondents and, therefore, we cannot make duty absorption determinations with respect to these companies.

#### Non-Market Economy Country Status

In every case conducted by the Department involving the PRC, the PRC has been treated as a non-market economy ("NME") country. 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. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Preliminary Results 2001–2002 Administrative Review and Partial Rescission of Review*, 68 FR 7500 (February 14, 2003). None of the parties to this proceeding has contested such treatment. Accordingly, we calculated NV 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 market economy country or countries considered to be appropriate by the Department. *See* section 773(c)(1) of the Act. When valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of FOPs in one or more market economy countries that are: (1) At a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise. *See* section 773(c)(4) of the Act. Further, the Department normally values all FOPs in a single surrogate country. *See* 19 CFR 351.308(c)(2). The sources of the surrogate values ("SV") are discussed under the "Normal Value" section below and in the Memorandum to the File, *Factors Valuations for the Preliminary Results of the Administrative Review*, dated January 31, 2008 ("Factor Valuation Memorandum"), which is on file in the

Central Records Unit ("CRU"), Room 1117 of the main Department building.

In examining which country to select as its primary surrogate for this proceeding, the Department first determined that India, Indonesia, Sri Lanka, the Philippines, and Egypt are countries comparable to the PRC in terms of economic development. *See Memorandum to the File, Administrative Review of Wooden Bedroom Furniture from the People's Republic of China (PRC): Request for a List of Surrogate Countries*, dated October 2, 2007 ("Policy Memo"), which is on file in the CRU.

On October 5, 2007, the Department issued a request for interested parties to submit comments on surrogate country selection. Petitioners submitted surrogate country comments on October 19, 2007 ("Petitioners' Surrogate Country Letter"). ASI also submitted surrogate country comments on October 19, 2007. Petitioners submitted rebuttal comments with respect to surrogate country selection on October 29 and November 19, 2007. ASI submitted rebuttal comments with respect to surrogate country selection on November 8 and November 29, 2007. In addition, Teamway submitted comments regarding surrogate country selection on October 19, 2007.

Teamway claims that India is not at a level of economic development comparable to that of the PRC. Teamway argues that the gross national incomes ("GNI") of the Philippines and Indonesia are closer to the GNI of the PRC than the GNI of India. Additionally, Teamway argues that the Philippines and Indonesia are significant producers of wooden bedroom furniture. Finally, Teamway argues that the Philippines or Indonesia should be selected as the surrogate country; however, Teamway did not submit surrogate value data for either country.

ASI argues that India and the PRC are not at a comparable level of economic development because they are too dissimilar in terms of GNI. ASI contends that predictability is not a basis to continue to use India as the surrogate country if doing so results in inaccurate surrogate values. Additionally, ASI asserts that the Department has the authority to change surrogate countries during any segment of the proceeding, and cites two cases in which the Department used the Philippines as the surrogate country. Also, ASI claims that the Department's selection of economically comparable countries is flawed and unsupported by record evidence. Further, ASI argues that in determining whether countries are at a comparable level of economic

development, the Department's regulations direct the Department to "place primary emphasis on per capita GDP as the measure of economic comparability" and contends that the Department "skipped over" 16 countries closer to the PRC in terms of GNI to include India on the Department's list of designated surrogate countries.

Furthermore, ASI argues that [t]he Department's attempt to belittle the vast difference in GNI per capita between the PRC and India is unreasonable and inconsistent with the Department's obligation to use the "best" available information and to calculate dumping margins as accurately as possible. In addition, ASI cites reports and Infodrive data which it claims show that Indian import data are corrupted by mis-classifications and mis-valuation, thus arguing Indian import statistics are not reliable. Finally, ASI argues that the Philippines is the appropriate surrogate country and provided extensive SV data from the Philippines.

Petitioners argue that India satisfies the statutory requirements for the selection of the surrogate country because it is at a level of economic development comparable to that of the PRC and is a significant producer of comparable merchandise. Additionally, Petitioners argue that the Department is not required to select the country listed in the *Policy Memo* that is at a level of economic development most comparable to that of the PRC. Also, Petitioners contend that it is legally irrelevant that 16 countries may have a per-capita GNI closer to that of the PRC than the per-capita GNI of India. Further, Petitioners argue that other factors, such as total GNI should be used to determine economic comparability, and that India's total GNI is closer to that of the PRC than that of Indonesia or the Philippines. Furthermore, Petitioners cite a USTR<sup>17</sup> report that they claim demonstrates inconsistencies, mis-classification, and mis-valuation in the Philippine import statistics. In addition, Petitioners claim that corruption in the Philippine customs service renders the Philippine import statistics unreliable. Moreover, Petitioners contend that the Department has used India as the surrogate country for the PRC in recent cases. Finally, Petitioners argue that India is the appropriate surrogate country and submitted Indian SV data.

After evaluating interested parties' comments, the Department determined that the Philippines is the appropriate surrogate country to use in this review.

<sup>17</sup> USTR, 2006 National Trade Estimate Report on Foreign Trade Barriers, at pages 524–525.

The Department based its decision on the following facts: (1) The Philippines is at a level of economic development comparable to that of the PRC; (2) the Philippines is a significant producer of comparable merchandise; and (3) the Philippines provides the best opportunity to use quality, publicly available data to value the FOPs. While both India and the Philippines are comparable and provide reliable sources of data, we find surrogate financial data from the Philippines better reflects the overall experience of producers of comparable merchandise in a surrogate country. Specifically, after examining the financial statements submitted for both countries, we have concluded that we have two useable financial statements from the Philippines, but only one from India. Generally, where available, we prefer to use more than one financial statement in order to obtain a broader industry representation. *See Fresh Garlic From the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 67 FR 72139 (December 4, 2002), and accompanying Issues and Decision Memorandum at Comment 5.

Therefore, because the Philippines better represents the experience of producers of comparable merchandise operating in a surrogate country, we have selected the Philippines as the surrogate country and, accordingly, have calculated NV using Philippine prices to value the respondents' FOPs, when available and appropriate. We have obtained and relied upon publicly available information wherever possible. *See Factor Valuation Memorandum*. In accordance with 19 CFR 351.301(c)(3)(ii), interested parties may submit publicly available information to value FOPs until 20 days after the date of publication of these preliminary results.

#### Affiliation

Section 771(33) of the Act directs that the following persons will be considered affiliated: (A) Members of a family, including brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants; (B) Any officer or director of an organization and such organization; (C) Partners; (D) Employer and employee; (E) Any person directly or indirectly owning, controlling, or holding with power to vote, five percent or more of the outstanding voting stock or shares of any organization and such organization; (F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person; and (G) Any person

who controls any other person and such other person.

For purposes of affiliation, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person. *See Section 771(33) of the Act*. In order to find affiliation between companies, the Department must find that at least one of the criteria listed above is applicable to the respondents. Moreover, stock ownership is not the only evidentiary factor that the Department may consider to determine whether a person is in a position to exercise restraint or direction over another person, *e.g.*, control may be established through corporate or family groupings, or joint ventures and other means as well. *See The Statement of Administrative Action accompanying the Uruguay Round Agreements Act ("SAA")*, H.R. Doc. 103-316, 838 (1994). *See also Certain Fresh Cut Flowers from Colombia: Final Results of Antidumping Duty Administrative Review*, 61 FR 42833, 42853 (August 19, 1996); and *Certain Welded Carbon Steel Pipes and Tubes from Thailand: Final Results of Antidumping Duty Administrative Review*, 62 FR 53808, 53810 (October 16, 1997).

To the extent that the affiliation provisions in section 771(33) of the Act do not conflict with the Department's application of separate rates and the statutory NME provisions in section 773(c) of the Act, the Department will determine that exporters and/or producers are affiliated if the facts of the case support such a finding. *See Certain Preserved Mushrooms From the People's Republic of China: Preliminary Results of Sixth New Shipper Review and Preliminary Results and Partial Rescission of Fourth Antidumping Duty Administrative Review*, 69 FR 10410, 10413 (March 5, 2004), unchanged in *Final Results and Final Rescission, in Part, of Antidumping Duty Administrative Review: Certain Preserved Mushrooms From the People's Republic of China*, 70 FR 54361 (September 14, 2005).

#### The Dare Group

Following these guidelines, we preliminarily determine that Fujian Lianfu Forestry Co. Ltd./Fujian Wonder Pacific Inc./Fuzhou Huan Mei Furniture Co., Ltd./Jiangsu Dare Furniture Co., Ltd., are affiliated pursuant to sections 771(33)(E) and (F) of the Act and that these companies should be treated as a single entity for the purposes of the antidumping administrative review of wooden bedroom furniture from the PRC. Based on our examination of the

evidence presented in the Dare Group's questionnaire responses, we have determined that: (1) Fujian Lianfu Forestry Co. Ltd./Fujian Wonder Pacific Inc./Fuzhou Huan Mei Furniture Co., Ltd./Jiangsu Dare Furniture Co., Ltd. are affiliated producers of identical or similar merchandise; and (2) the potential for manipulation of price or production exists with respect to Fujian Lianfu Forestry Co. Ltd./Fujian Wonder Pacific Inc./Fuzhou Huan Mei Furniture Co., Ltd./Jiangsu Dare Furniture Co., Ltd. *See Memorandum to Wendy Frankel, Director, Office 8, NME/China Group, through Robert Bolling, Program Manager, From Paul Stolz, Case Analyst, Antidumping Duty Administrative Review of Wooden Bedroom Furniture from the People's Republic of China: Fujian Lianfu Forestry Co. Ltd./Fujian Wonder Pacific Inc./Fuzhou Huan Mei Furniture Co., Ltd./Jiangsu Dare Furniture Co., Ltd. and Treatment as a Single Entity*, dated January 31, 2008.

#### Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of merchandise in an NME country subject to review this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. Two mandatory respondents, the Dare Group and Teamway, the new shipper, Mei Jia Ju, and 25 separate-rate respondents have provided company-specific separate-rate information and each has further stated that it meets the standards for the assignment of a separate rate.

We have examined the information submitted to determine whether each of these companies is eligible for a separate rate. The Department's separate-rate test to determine whether the exporters are independent from government control does not consider, in general, macroeconomic/border-type controls, *e.g.*, export licenses, quotas, and minimum export prices, particularly if these controls are imposed to prevent dumping. The test focuses, rather, on controls over the investment, pricing, and output decision-making process at the individual firm level. *See, e.g.*, *Certain Cut-to-Length Carbon Steel Plate from Ukraine: Final Determination of Sales at Less than Fair Value*, 62 FR 61754, 61758 (November 19, 1997); and *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from*

*the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 61276, 61279 (November 17, 1997).

To establish whether a firm is sufficiently independent from government control of its export activities to be entitled to a separate rate, 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 amplified by *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"). In accordance with the separate-rates criteria, the Department assigns separate rates in NME cases only if respondents can demonstrate the absence of both *de jure* and *de facto* government control over export activities.

#### 1. Absence of *De Jure* Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) other formal measures by the government decentralizing control of companies. *See Sparklers*, 56 FR 20589.

Our analysis shows that, for mandatory respondents, the Dare Group and Teamway, and the new shipper, Mei Jia Ju, and certain separate-rate respondents, the evidence on the record supports a preliminary finding of *de jure* absence of government control based on record statements and supporting documentation showing the following: (1) An absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) the applicable legislative enactments decentralizing control of the companies; and (3) any other formal measures by the government decentralizing control of companies. *See Memorandum to Wendy J. Frankel, Director, Office 8, Import Administration, from Robert Bolling, Program Manager, Wooden Bedroom Furniture from the People's Republic of China: Separate Rates for Producers/Exporters that Submitted Separate Rate Certifications and Applications ("Separate-Rates Memo")*, dated January 31, 2008.

#### 2. Absence of *De Facto* Control

In previous cases, the Department learned that certain enactments of the PRC central government have not been implemented uniformly among different sectors and/or jurisdictions in the PRC. *See e.g., Final Determination of Sales at Less Than Fair Value: Certain Preserved Mushrooms from the People's Republic of China*, 63 FR 72255, 72257 (December 31, 1998). Therefore, 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 government control which would preclude the Department from assigning separate rates. The Department considers four factors in evaluating whether each respondent is subject to *de facto* government control of its export functions: (1) Whether the exporter sets its own export prices independent of the government and without the approval of a government authority; (2) whether the respondent has the authority to negotiate and sign contracts, and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of its management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.

We determine that, for mandatory respondents, the Dare Group and Teamway, and the new shipper, Mei Jia Ju, and certain separate-rate respondents, the evidence on the record supports a preliminary finding of *de facto* absence of government control based on record statements and supporting documentation showing the following: (1) Each exporter sets its own export prices independent of the government and without the approval of a government authority; (2) each exporter retains the proceeds from its sales and makes independent decisions regarding disposition of profits or financing of losses; (3) each exporter has the authority to negotiate and sign contracts and other agreements; and (4) each exporter has autonomy from the government regarding the selection of management.

Therefore, the evidence placed on the record of this administrative review by the mandatory respondents, the Dare Group and Teamway, and the new shipper, Mei Jia Ju, and certain separate-rate respondents demonstrates an absence of government control, both in law and in fact, with respect to each exporter's exports of the subject merchandise, in accordance with the

criteria identified in *Sparklers* and *Silicon Carbide*. As a result, for the purposes of these preliminary results, we have granted separate, company-specific rates to the Dare Group, Teamway, Mei Jia Ju, and certain separate-rate respondents<sup>18</sup> that shipped wooden bedroom furniture to the United States during the POR. For a full discussion of this issue and list of separate-rate respondents, please see the *Separate-Rates Memo*.

Because Starcorp withdrew from participation in this segment of the proceeding and requested that all of its business proprietary submissions be returned or destroyed (including its April 4, 2007, proprietary version separate rate certification), the Department does not have any record evidence upon which to determine whether Starcorp is eligible for a separate rate for this review period. Thus, as Starcorp has not demonstrated its entitlement to a separate rate, it is considered to be part of the PRC-entity and will be subject to the PRC-wide rate. (See "The PRC-Wide Entity" section below.)

Furthermore, we have found that certain separate-rate applicants<sup>19</sup> have not demonstrated an absence of government control over their export activities, both in law and in fact, and are therefore, subject to the PRC-entity rate. *See Separate-Rates Memo*.

#### Margins for Separate-Rate Applicants

For the exporters subject to this review that were determined to be eligible for separate-rate status, but were not selected as mandatory respondents ("Separate-Rate Recipients"), we have established a weighted-average margin based on an average of the rates we calculated for the mandatory respondents, excluding any rates that are zero, *de minimis*, or based entirely on adverse facts available. That rate is 39.49 percent. Entities receiving this rate are identified by name in the "Preliminary Results of Review" section of this notice and our *Separate-Rates Memo*.

#### Application of Facts Available

Section 776(a)(1) and (2) of the Act provides that the Department shall apply "facts otherwise available" if, *inter alia*, necessary information is not

<sup>18</sup> For a complete listing entities receiving a separate rate, see preliminary results of review chart, below.

<sup>19</sup> Beijing Mingyafeng Furniture Co., Ltd.; Country Roots; Hong Yu Furniture (Shenzhen) Co., Ltd.; Kunwa Enterprise Company; and Shanghai Starcorp Furniture Co., Ltd., Starcorp Furniture (Shanghai) Co., Ltd., Orin Furniture (Shanghai) Co., Ltd., Shanghai Star Furniture Co., Ltd., and Shanghai Xing Ding Furniture Industrial Co., Ltd.

on the record or an interested party or any other person (A) withholds information that has been requested, (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department will so inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain the deficiency. If the party fails to remedy the deficiency within the applicable time limits and subject to section 782(e) of the Act, the Department may disregard all or part of the original and subsequent responses, as appropriate. Section 782(e) of the Act provides that the Department "shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all applicable requirements established by the administering authority" if the information is timely, can be verified, is not so incomplete that it cannot be used, and if the interested party acted to the best of its ability in providing the information. Where all of these conditions are met, the statute requires the Department to use the information supplied if it can do so without undue difficulties.

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

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as "[i]nformation derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise."

*See SAA at 870.* Corroborate means that the Department will satisfy itself that the secondary information to be used has probative value. *Id.* To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used.

#### Application of Total Adverse Facts Available

##### *Mei Jia Ju*

As noted above, the Department initiated a new shipper review of Mei Jia Ju's exports of merchandise covered by the antidumping duty order on wooden bedroom furniture from the PRC. *See New Shipper Review Initiation Notice.* On April 11, 2007, the Department issued its antidumping duty questionnaire to Mei Jia Ju. Included in the Department's questionnaire are the Department's requirements and procedures for filing submissions. The Department's questionnaire specified that section A and sections C and D were due on May 2 and May 18, 2007, respectively. On April 28, 2007, Mei Jia Ju emailed the Department to ask for clarification of the due date of the response to the Original Questionnaire. On that same day the Department responded to Mei Jia Ju's email and specified to Mei Jia Ju that submissions were due in the CRU of the Department by close of business on the due date specified in the questionnaire. *See Memorandum to the File, Wooden Bedroom Furniture from the People's Republic of China: Email from Mei Jia Ju Furniture Industrial (Shenzhen) Co., Ltd. Regarding Deadlines* (December 5, 2007) ("Mei Jia Ju Deadline Memo"). On May 1, 2007, the Department received an extension request from Mei Jia Ju for the submission of its responses to sections C & D of the Department's questionnaire, and on May 10, 2007, the Department granted Mei Jia Ju's extension request. On May 3, 2007, the Department received Mei Jia Ju's section A response, and on May 18, 2007, the Department received Mei Jia Ju's response to sections C & D of the Department's questionnaire. On October 30, 2007, the Department issued its supplemental A, C & D questionnaire to Mei Jia Ju, with a due date of November 14, 2007. On November 19, 2007, the Department received Mei Jia Ju's Sections A, C & D supplemental response. On December 18, 2007, the Department rejected and returned Mei Jia Ju's Sections A, C & D supplemental response as untimely, and informed Mei Jia Ju that its November 19, 2007, submission would not be considered by the Department. *See December 18, 2007,*

letter from Wendy J. Frankel to Dr. He Peihua.

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

The Department has preliminarily determined that the use of facts otherwise available is warranted for Mei Jia Ju pursuant to section 776(a)(2)(B) of the Act because Mei Jia Ju failed to provide information within the deadlines established by the Department. Specifically, Mei Jia Ju submitted its Sections A, C & D supplemental response to the Department five days after the deadline established for its submission, and did not request an extension prior to the deadline. The administration of antidumping reviews is conducted on a strict statutory time line. Provision is made to allow parties to notify the Department in writing prior to the established deadline, to request an extension if they are experiencing difficulty in meeting a given deadline. *See 19 CFR 351.302(c).* Effective allocation of administrative resources to conduct reviews within the statutory time line, however, is not possible if the Department is not informed of a party's need for an extension in a timely manner, and is left in the dark as to when, or if, parties will submit responses. In order for the Department to meet its own statutory deadlines and administer its cases effectively, parties must adhere to the due dates and deadlines the Department establishes for responding to questionnaires (*i.e.*, original or supplementals). It is further necessary that parties follow the Department's regulations should they need to request an extension.

Section 782(c)(1) of the Act provides that, if an interested party promptly notifies the Department that it is unable to submit the information requested in the requested form and manner, together with a full explanation and suggested alternative forms in which such party is able to submit the information, the Department shall take into consideration the ability of the party to submit the information in the requested form and manner and may modify such requirements to the extent necessary to

avoid imposing an unreasonable burden on that party. Section 782(c)(2) of the Act further provides that the Department shall consider the ability of the party submitting the information and shall provide such interested party assistance that is practicable. In this case, Mei Jia Ju did not notify the Department of any difficulty in submitting its response prior to the filing deadline. Further, the fact that Mei Jia Ju is aware of the Department's filing and service requirements and its right to request an extension is evident from the fact that Mei Jia Ju has properly requested an extension for filing a submission with the Department in the past. *See, e.g.*, Mei Jia Ju's May 1, 2007, sections C and D extension request. The Department's April 11, 2007, Original Questionnaire to Mei Jia Ju specified the filing and service requirements of all submissions to the Department. The October 30, 2007, sections A, C & D supplemental questionnaire reiterated these requirements. Additionally, the Department specifically instructed Mei Jia Ju on April 28, 2007, that submissions must be filed with the CRU on the due date specified in the questionnaire. *See, e.g.*, *Mei Jia Ju Deadline Memo*. Further, the Department specifically informed Mei Jia Ju in an April 25, 2007, email that no request for an extension will be considered by the Department unless it is officially filed in the CRU. *Id.* On December 26, 2007, after the Department had rejected Mei Jia Ju's supplemental questionnaire, Mei Jia Ju sent a letter by facsimile requesting an extension to file its supplemental questionnaire. On January 10, 2008, we rejected Mei Jia Ju's request to reconsider our determination not to accept the late supplemental response because the letter did not satisfy numerous filing and service requirements (e.g., not properly filed, did not contain the requisite number of copies, etc.).

Section 782(d) of the Act provides that, in the case of a deficient response by the respondent, the Department will so inform the party submitting the response and will, to the extent practicable, provide that party the opportunity to remedy or explain the deficiency. If the party fails to remedy the deficiency within the applicable time limits and subject to section 782(e) of the Act, the Department may disregard all or part of the original and subsequent responses, as appropriate. Section 782(e) of the Act provides that the Department "shall not decline to consider information that is submitted by an interested party and is necessary

to the determination but does not meet all applicable requirements established by the administering authority" if the information is timely, can be verified, is not so incomplete that it cannot be used, and if the interested party acted to the best of its ability in providing the information. Where all of these conditions are met, the statute requires the Department to use the information if it can do so without undue difficulties. The Department issued a supplemental sections A, C & D questionnaire to Mei Jia Ju noting numerous deficiencies in its response to the Original Questionnaire. *See October 30, 2007, sections A, C & D supplemental questionnaire*. The Department issued Mei Jia Ju an extensive supplemental questionnaire because its original questionnaire response did not provide any information or usable data that would allow the Department to accurately calculate an antidumping duty margin. For example, our supplemental questionnaire requested that Mei Jia Ju report numerous raw material inputs that it failed to report in its original response, that it report the total usage of one of its main inputs, "plywood," and that it report its U.S. sales information on a control number-specific basis. Upon receipt of Mei Jia Ju's response, which was submitted five days late without an extension request, the Department rejected Mei Jia Ju's response without consideration. *See December 18, 2007, letter from Wendy J. Frankel to Dr. He Peihua*. Because we have only Mei Jia Ju's original questionnaire response on the record, and this response lacks any meaningful data, we do not have sufficient U.S. sales and FOP data on the record to calculate an accurate dumping margin for Mei Jia Ju. Accordingly, we preliminarily determine to base Mei Jia Ju's margin on facts otherwise available. *See section 776 (a) of the Act*.

Section 776(b) of the Act further provides that the Department may use an adverse inference in applying the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. Section 776(b) of the Act also authorizes the Department to use as adverse facts available ("AFA") information derived from the petition, the final determination, a previous administrative review, or other information placed on the record. While the standard for cooperation does "not require perfection and recognizes that mistakes sometimes occur, it does not condone inattentiveness, carelessness, or inadequate record keeping." *Nippon*

*Steel Corp. v. United States*, 337 F. 3d 1373, 1382 (Fed. Cir. 2003).

From the record evidence, it is clear Mei Jia Ju was aware of its obligation to submit its response on time or to timely request an extension prior to the deadline for submission. The Department's April 11, 2007, Original Questionnaire to Mei Jia Ju specified the filing and service requirements of all submissions to the Department. The October 30, 2007, sections A, C & D supplemental questionnaire reiterated these requirements. Additionally, the Department specifically instructed Mei Jia Ju on April 28, 2007, that submissions must be filed with the CRU on the due date specified in the questionnaire. *See, e.g.*, *Mei Jia Ju Deadline Memo*. Moreover, the Department specifically informed Mei Jia Ju on April 25, 2007, that no extension of a deadline for submission would be considered by the Department unless it was officially filed in the CRU. *See id.* Because Mei Jia Ju was aware of the deadline and did not request an extension prior to the deadline, we find that Mei Jia Ju failed to cooperate by not acting to the best of its ability to comply with the Department's request for information. Furthermore, the Department issued Mei Jia Ju an extensive supplemental questionnaire (i.e., Sections A, C & D) because its original questionnaire response did not provide necessary information or usable data that would allow the Department to accurately calculate an antidumping duty margin. Because we only have Mei Jia Ju's original questionnaire response on the record, and this response lacks any meaningful data, we do not have sufficient U.S. sales and FOP data on the record to calculate an accurate dumping margin for Mei Jia Ju, we find that Mei Jia Ju failed to cooperate by not acting to the best of its ability to comply with the Department's requests for information. Accordingly, the Department preliminarily determines that, when selecting from among the facts otherwise available, an adverse inference is warranted for Mei Jia Ju pursuant to section 776(b) of the Act.

However, although we have determined to apply the AFA rate to Mei Jia Ju, we have also preliminarily determined to provide Mei Jia Ju with a separate rate. We based our determination on the fact that Mei Jia Ju provided a complete separate-rate response to our questionnaire that did not require further supplementation. *See Mei Jia Ju's May 3, 2007, section A questionnaire response*. Therefore, for the preliminarily results Mei Jia Ju will receive a separate rate.

### The PRC-Wide Entity

The Department issued a letter to all respondents identified in the *Initiation Notice* informing them of the requirements to respond to both the Department's Q&V Questionnaire and either the separate-rate application or certification, as appropriate. The following companies did not respond to the Department's Q&V Questionnaire and the separate-rate application/certification: (i.e., Deqing Ace Furniture & Crafts Ltd.; Donguan Qingxi Xinyi Craft Furniture Factory (Joyce Art Factory); Speedy International Ltd.; T.J. Maxx International Co., Ltd., Tianjin Sande Fairwood Furniture Co., Ltd., Top Art Furniture/Ngai Kun Trading, Triple J Furniture Enterprise Co., Mandarin Furniture (Shenzhen) Co., Ltd.; Xilinmen Group Co., Ltd.; and Zhejiang Niannianhong Industrial Co., Ltd.). Therefore, the Department determines preliminarily that there were exports of merchandise under review from PRC producers/exporters that did not respond to the Department's questionnaire and consequently did not demonstrate their eligibility for separate-rate status. As a result, the Department is treating these PRC producers/exporters as part of the countrywide entity.

Additionally, as Starcorp did not submit reliable information demonstrating that it operates free from government control, for purposes of this review, it is considered part of the PRC-wide entity. Both Petitioners and Starcorp requested the 2006 administrative review of Starcorp. On April 4, 2007, Starcorp submitted its separate-rate certification. On June 21, 2007, the Department issued its antidumping questionnaire to Starcorp. On July 26, 2007, Starcorp submitted its response to Section A of the Department's questionnaire. Although Starcorp responded to Section A of the questionnaire, Starcorp did not respond to Sections C and D. On August 20, 2007, Starcorp (1) withdrew its request for the Department to conduct the second administrative review, (2) stated it would no longer participate in this review, (3) requested that the Department and all parties destroy or return Starcorp's submissions containing business proprietary information, and (4) requested to be removed from both the APO and public service lists. Thus, no information remains on the record of this review with respect to Starcorp. However, as Petitioners did not withdraw their request for review, Starcorp remains subject to this review. Because Starcorp did not demonstrate its eligibility for

separate-rate status, it remains subject to this review as part of the PRC-wide entity.

Because we have determined that the companies named above are part of the PRC-wide entity, the PRC-wide entity is now under review. Pursuant to section 776(a) of the Act, we further find that because the PRC-wide entity (including the companies discussed above) failed to respond to the Department's questionnaires, withheld or failed to provide information in a timely manner or in the form or manner requested by the Department, submitted information that cannot be verified, or otherwise impeded the proceeding, it is appropriate to apply a dumping margin for the PRC-wide entity using the facts otherwise available on the record. Additionally, because these parties failed to respond to our requests for information, we find an adverse inference is appropriate pursuant to section 776(b) of the Act for the PRC-wide entity.

### Selection of the Adverse Facts Available Rate

In sum, because the PRC-wide entity failed to respond to our request for information, it has failed to cooperate to the best of its ability. Further, as discussed above, Mei Jia Ju also failed to cooperate to the best of its ability with respect to responding to the Department's requests for additional information (i.e., Sections C and D information). Therefore, the Department preliminarily finds that, in selecting from among the facts available, an adverse inference is appropriate pursuant to section 776(b) of the Act for both the PRC-wide entity and Mei Jia Ju.

In deciding which facts to use as AFA, section 776(b) of the Act and 19 CFR 351.308(c)(1) provide that the Department may rely on information derived from (1) the petition, (2) a final determination in the investigation, (3) any previous review or determination, or (4) any information placed on the record. In selecting a rate for AFA, the Department selects a rate that is sufficiently adverse "as to effectuate the purpose of the facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner." See *Notice of Final Determination of Sales at Less than Fair Value: Static Random Access Memory Semiconductors From Taiwan*, 63 FR 8909, 8932 (February 23, 1998). It is further the Department's practice to select a rate that ensures "that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." See *SAA* at 870. See also, *Brake Rotors From*

*the People's Republic of China: Final Results and Partial Rescission of the Seventh Administrative Review; Final Results of the Eleventh New Shipper Review*, 70 FR 69937, 69939 (November 18, 2005).

Generally, the Department finds that selecting the highest rate in any segment of the proceeding as AFA, is appropriate. See, e.g., *Certain Cased Pencils from the People's Republic of China; Notice of Preliminary Results of Antidumping Duty Administrative Review and Intent to Rescind in Part*, 70 FR 76755, 76761 (December 28, 2005). The Court of International Trade ("CIT") and the Court of Appeals for the Federal Circuit ("Federal Circuit") have affirmed decisions to select the highest margin from any prior segment of the proceeding as the AFA rate on numerous occasions. See *Rhone Poulenc, Inc. v. United States*, 899 F. 2d 1185, 1190 (Fed. Cir. 1990) (affirming the Department's presumption that the highest margin was the best information of current margins) ("Rhone Poulenc"); *NSK Ltd. v. United States*, 346 F. Supp. 2d 1312, 1335 (CIT 2004) (affirming a 73.55 percent total AFA rate, the highest available dumping margin from a different respondent in the investigation); *Kompass Food Trading International v. United States*, 24 CIT 678, 683 (2000) (affirming a 51.16 percent total AFA rate, the highest available dumping margin from a different, fully cooperative respondent); and *Shanghai Taoen International Trading Co., Ltd. v. United States*, 360 F. Supp. 2d 1339, 1348 (CIT 2005) (affirming a 223.01 percent total AFA rate, the highest available dumping margin from a different respondent in a previous administrative review).

In choosing the appropriate balance between providing respondents with an incentive to respond accurately and imposing a rate that is reasonably related to the respondents' prior commercial activity, selecting the highest prior margin "reflects a common sense inference that the highest prior margin is the most probative evidence of current margins, because, if it were not so, the importer, knowing of the rule, would have produced current information showing the margin to be less." See *Rhone Poulenc*, 899 F.2d at 1190.

As AFA, we have preliminarily assigned to the PRC-wide entity and to Mei Jia Ju a rate of 216.01 percent, the highest calculated rate from 2004–2005 new shipper reviews of wooden bedroom furniture from the PRC which is the highest rate on the record of all segments of this proceeding. The Department preliminarily determines

that this information is the most appropriate from the available sources to effectuate the purposes of AFA. The Department's reliance on the highest calculated rate from the 2004–2005 new shipper review to determine an AFA rate is subject to the requirement to corroborate secondary information. *See* the "Corroboration of Secondary Information" section below.

### Corroboration

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation or review, it shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Secondary information is defined as information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise. *See SAA* at 870. Corroborate means that the Department will satisfy itself that the secondary information to be used has probative value. *Id.* To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished from Japan, and Tapered Roller Bearings Four Inches or Less in Outside Diameter, and Components Thereof, from Japan: Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (Nov. 6, 1996) (unchanged in the final determination). Independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. *See Notice of Preliminary Determination of Sales at Less Than Fair Value: High and Ultra-High Voltage Ceramic Station Post Insulators from Japan*, 68 FR 35627 (June 16, 2003) (unchanged in final determination); and, *Notice of Final Determination of Sales at Less Than Fair Value: Live Swine From Canada*, 70 FR 12181 (March 11, 2005).

The AFA rate that the Department is now using was determined in a previously published final results of new shipper review. *See Wooden Bedroom Furniture from the People's Republic of China: Final Results of the 2004–2005 Semi-Annual New Shipper Reviews*, 71 FR 70739 (December 6,

2006). In the new shipper review, the Department calculated a company-specific rate, which was above the PRC-wide rate established in the investigation. Because this new rate is a company-specific calculated rate concerning subject merchandise, we have determined this rate to be reliable.

With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Where circumstances indicate that the selected margin is not appropriate as AFA, the Department will disregard the margin and determine an appropriate margin. *See Fresh Cut Flowers from Mexico: Final Results of Antidumping Administrative Review*, 61 FR 6812 (February 22, 1996) (where the Department disregarded the highest margin in that case as adverse best information available (the predecessor to facts available) because the margin was based on another company's uncharacteristic business expense resulting in an unusually high margin). Similarly, the Department does not apply a margin that has been discredited. *See D&L Supply Co. v. United States*, 113 F.3d 1220, 1221 (Fed. Cir. 1997) (ruling that the Department will not use a margin that has been judicially invalidated). To assess the relevancy of the rate used, the Department compared the margin calculations of the mandatory respondents in this administrative review with the calculated rate from the 2004–2005 new shipper review. The Department found that the margin of 216.01 percent was within the range of the highest margins calculated on the record of this administrative review. Because the record of this administrative review contains margins within the range of 216.01 percent, we determine that the rate from the 2004–2005 review continues to be relevant for use in this administrative review.

As the adverse margin is both reliable and relevant, we determine that it has probative value. Accordingly, we determine that this rate meets the corroboration criterion established in section 776(c) that secondary information have probative value. As a result, the Department determines that the margin is corroborated for the purposes of this administrative review and may reasonably be applied to Mei Jia Ju, and the PRC-wide entity as AFA.

Because these are preliminary results of review, the Department will consider all margins on the record at the time of the final results of review for the purpose of determining the most appropriate final adverse margin. *See*

*Preliminary Determination of Sales at Less Than Fair Value: Solid Fertilizer Grade Ammonium Nitrate From the Russian Federation*, 65 FR 1139 (January 7, 2000).

### Export Price

For the Dare Group and Teamway, we based the U.S. price on export price ("EP"), in accordance with section 772(a) of the Act, because EP is the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under section 772(c) of the Act. Additionally, we calculated EP based on the packed price from the exporter to the first unaffiliated customer in the United States.

For the Dare Group, we calculated EP based on delivered prices to unaffiliated purchaser(s) in the United States. We made deductions from the U.S. sales price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These included foreign inland freight expenses for inter-factory shipping, inland freight from the plant to the port, foreign brokerage and handling, U.S. brokerage and handling, and import duties. We also deducted certain customer discounts from the gross unit price. *See Memorandum to The File Through Robert Bolling, Program Manager, China/NME Group, from Paul Stolz, Case Analyst, Analysis for the Preliminary Results of Wooden Bedroom Furniture from the People's Republic of China: Fujian Lianfu Forestry Co./Fujian Wonder Pacific Inc./Fuzhou Huan Mei Furniture Co., Ltd./Jiangsu Dare Furniture Co., Ltd. ("Dare Group") ("Analysis Memo Dare Group")*, dated January 31, 2008.

For Teamway, we calculated EP based on delivered prices to unaffiliated purchaser(s) in the United States. We made deductions from the U.S. sales price for a movement expense in accordance with section 772(c)(2)(A) of the Act. This expense was inland freight—plant/warehouse to port of exit, and we deducted this expense from the gross unit price, in accordance with section 772(c) of the Act. For a detailed description of all adjustments, see *Memorandum to The File Through Robert Bolling, Program Manager, China/NME Group, from Hua Lu, Case Analyst, Analysis for the Preliminary Results of Wooden Bedroom Furniture from the People's Republic of China: Teamway Furniture (Dong Guan) Co.*

*Ltd., Brittomart Inc. ("Analysis Memo Teamway"),* dated January 31, 2008.

Teamway reported in its original and supplemental questionnaires that it sold subject merchandise during the POR to a trading company located in Shenzhen, China. See August 23 and December 4, 2007, original and supplemental questionnaires, respectively. Teamway also stated that to the best of its knowledge this trading company is affiliated with a U.S. company that acted as a buying agent in transacting certain sales with Teamway. According to Teamway, the trading company instructed Teamway to deliver certain sales to a Chinese warehouse where the trading company kept its purchases of other Chinese suppliers which were being shipped to the United States. The title to the subject merchandise was transferred to the trading company when it was delivered to the trading company's warehouse. Additionally, Teamway stated that it does not have exact information as to whether all or which sale(s) of subject merchandise sold by the trading company to its U.S. affiliate were consolidated with goods of other suppliers. For the preliminary results, we have determined to include Teamway's sales to the trading company located in Shenzhen as U.S. sales as reported by Teamway. However, the Department will issue supplemental questionnaires and further analyze these transactions for the final results to determine whether they constitute sales to the United States or internal PRC transactions. If we conclude that such sales represent internal PRC transactions, we will disregard such sales for purposes of the final results of this review.

#### Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using an FOP methodology if: (1) The merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. 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. Under section 772(c)(3) of the Act, 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. We used

FOPs reported by respondents for materials, energy, labor and packing.

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 market economy and pays for it in market-economy currency, the Department will normally value the factor using the actual price paid for the input. See 19 CFR 351.408(c)(1); *see also Lasko Metal Products, Inc. v. United States*, 43 F.3d 1442, 1446 (Fed. Cir. 1994). However, when the Department has reason to believe or suspect that such prices may be distorted by subsidies, the Department will disregard the market economy purchase prices and use SVs to determine the NV. *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of the 1998-1999 Administrative Review, Partial Rescission of Review, and Determination Not to Revoke Order in Part*, 66 FR 1953 (January 10, 2001) ("TRBs 1998-1999"), and accompanying Issues and Decision Memorandum at Comment 1.

It is the Department's consistent practice that, where the facts developed in the U.S. or third-country countervailing duty findings include the existence of subsidies that appear to be used generally (in particular, broadly available, non-industry specific export subsidies), it is reasonable for the Department to find that it has a reason to believe or suspect that prices of the inputs from the country granting the subsidies may be subsidized. *See TRBs 1998-1999 at Comment 1; see also Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of 1999-2000 Administrative Review, Partial Rescission of Review, and Determination Not To Revoke Order in Part*, 66 FR 57420 (November 15, 2001), and accompanying Issues and Decision Memorandum at Comment 1; *see also China National Machinery Imp. & Exp. Corp. v. United States*, 293 F. Supp. 2d 1334, 1338-39 (CIT 2003).

In avoiding the use of prices that may be subsidized, the Department does not conduct a formal investigation to ensure that such prices are not subsidized, but rather relies on information that is generally available at the time of its determination. *See also H.R. Rep. 100-576, at 590 (1988), reprinted in 1988 U.S.C.C.A.N. 1547, 1623-24.*

We have reason to believe or suspect that prices of inputs from Indonesia, South Korea, and Thailand may have been subsidized. Through other

proceedings, the Department has learned that these countries maintain broadly available, non-industry-specific export subsidies and, therefore, finds it reasonable to infer that all exports to all markets from these countries may be subsidized. *See, e.g., TRBs 1998-1999 at Comment 1.* Accordingly, we have disregarded prices from Indonesia, South Korea and Thailand in calculating the Philippine import-based SVs because we have reason to believe or suspect such prices may be subsidized.

#### Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on FOPs reported by respondents for the POR. To calculate NV, we multiplied the reported per-unit factor quantities by publicly available Philippine SVs (except as noted below). In selecting the SV, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to make them delivered prices. Specifically, we added to Philippine import SVs a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory where appropriate (*i.e.*, where the sales terms for the market-economy inputs were not delivered to the factory). This adjustment is in accordance with the decision of the Federal Circuit in *Sigma Corp. v. United States*, 117 F.3d 1401 (Fed. Cir. 1997). Due to the extensive number of SVs it was necessary to assign in this administrative review, we present a discussion of the main factors. For a detailed description of all SVs used to value the respondent's reported FOPs, see *Factor*

#### Valuation Memorandum

The mandatory respondents reported that certain of their reported raw material inputs were sourced from a market-economy country and paid for in market-economy currencies.

Pursuant to 19 CFR 351.408(c)(1), when a mandatory respondent source inputs from a market-economy supplier in meaningful quantities (*i.e.*, not insignificant quantities), we use the actual price paid by respondents for those inputs, except when prices may have been distorted by findings of dumping by the PRC and/or subsidies. *See Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27366 (May 19, 1997). The Dare Group and Teamway reported information demonstrating that the quantities of certain raw materials purchased from market-economy suppliers are

significant. Where we found market-economy purchases to be in significant quantities, in accordance with our statement of policy as outlined in *Antidumping Methodologies: Market Economy Inputs*, we have used the actual purchases of these inputs to value the inputs. *See Antidumping Methodologies: Market Economy Inputs, Expected Non-Market Economy Wages, Duty Drawback; and Request for Comments*, 71 FR 61716 (October 19, 2006). For a detailed description of all actual values used for market-economy inputs, see the company-specific analysis memoranda dated January 31, 2008. Where the quantity of the input purchased from market-economy suppliers is insignificant, the Department will not rely on the price paid by an NME producer to a market-economy supplier because it cannot have confidence that a company could fulfill all its needs at that price. For both the Dare Group and Teamway, the Department found certain of their inputs purchased from market-economy suppliers to be insignificant. *See Analysis Memo Dare Group* and the *Analysis Memo Teamway*. In these instances, for the preliminary results, we valued the market-economy purchase using the appropriate SV for this input. *See Analysis Memo Dare Group* and the *Analysis Memo Teamway*.

We used import values from the World Trade Atlas® online (“Philippine Import Statistics”), which were published by the Philippines National Statistics Office, which were reported in Philippine pesos and are contemporaneous with the POR, where market-economy purchases were not made in significant quantities, to value the following inputs: wood inputs (e.g., lumber of various species), wood veneer of various species, processed woods (e.g., fiberboard, particleboard, plywood, etc.), adhesives and finishing materials (e.g., glue, paints, stains, lacquer, etc.), hardware (e.g., nails, staples, screws, bolts, knobs, pulls, drawer slides, hinges, clasps, etc.), other materials (e.g., mirrors, glass, leather, marble, cloth, foam, etc.), and packing materials (e.g., cardboard, cartons, styrofoam, bubblewrap, labels, tape, etc.), *see Factor Valuation Memorandum*. For a complete listing of all the inputs and the valuation for each mandatory respondent *see Factor Valuation Memorandum*.

Where we could not obtain publicly available information contemporaneous with the POR with which to value FOPs, we adjusted the SVs using, where appropriate, the Philippines Wholesale Price Index (“WPI”) available at the

Philippines National Statistics Office Web site <http://www.census.gov.ph/data/sectordata/datawpi.html>.

For the purposes of the preliminary results, the Department has used <http://www.allmeasures.com> and other publicly available information where interested parties did not submit alternative conversion values for specific FOPs. For the final results, the Department will continue to consider other appropriate conversion ratios.

#### Dare Group

The Dare Group reported certain of its inputs under common FOP categories which may not reflect an appropriate level of dis-aggregation based on its prior reporting methodology. Due to the proprietary nature of this issue, *see Analysis Memo Dare Group* for a complete explanation. For the preliminary results, we calculated certain surrogate values using the Dare Group’s reported FOPs. However, the Department will issue a supplemental questionnaire to further analyze the Dare Group’s FOP reporting. For the final results, we will consider whether the Dare Group’s groupings of these FOPs contributes to the accuracy of our margin calculation and will make adjustments to these classifications and our calculation of SVs, as appropriate.

The Dare Group reported “semifinished product” as a factor of production in its FOP database. *See the Dare Group’s supplemental section D response dated December 17, 2007*. Invoices for semifinished product on the record of this review indicate that the semifinished product is wooden bedroom furniture covered by the scope of the antidumping order. Therefore, for the preliminary results, we calculated the surrogate value of semifinished products using Philippine import statistics covering wooden bedroom furniture. The Department will issue a supplemental questionnaire to further analyze the Dare Group’s semifinished product reporting.

#### Teamway

In its original and supplemental questionnaire responses, Teamway reported that it used subcontractors in the production of subject merchandise. However, in reporting the subcontractors’ costs, Teamway only provided the subcontractors’ FOPs in a particular format. *See August 23 and December 4, 2007, original and supplemental questionnaires*, respectively. Due to the proprietary nature of this issue, *see Analysis Memo Teamway* for a complete explanation. For the preliminary results, we have determined to use Teamway’s

subcontractor’s FOPs as reported; however, the Department will issue a supplemental questionnaire to Teamway, and request Teamway to report its subcontractors’ costs in a manner that differs from its current reporting, for purposes of the final results margin calculation.

For direct labor, indirect labor, and packing labor, consistent with 19 CFR 351.408(c)(3), we used the PRC regression-based wage rate as reported on Import Administration’s Web site, Import Library, Expected Wages of Selected NME Countries, revised in January 2007, <http://ia.ita.doc.gov/wages/04wages/04wages-010907.html>. The source of these wage-rate data is the Yearbook of Labour Statistics 2006, ILO (Geneva: 2006), Chapter 5B: Wages in Manufacturing. The years of the reported wage rates range from 2004 and 2005. Because this regression-based wage rate does not separate the labor rates into different skill levels or types of labor, we have applied the same wage rate to all skill levels and types of labor reported by the respondent. *See Factor Valuation Memorandum*.

To value electricity, we used data from the 2006 edition of Doing Business in the Philippines, published by SGV & Co. Because the value for electricity was not contemporaneous with the POR, we adjusted the values for inflation. *See Factor Valuation Memorandum*.

To calculate the value for domestic brokerage and handling, the Department used brokerage fees available at the Web site of the Republic of the Philippines Tariff Commission, <http://www.tariffcommission.gov.ph/cao01-2001.html>. We calculated the SV for truck freight using Philippine data from three sources, (1) *The Cost of Doing Business in Camarines Sur*, available at the Philippine government’s Web site for the province: <http://www.camarinessur.gov.ph>, (2) *Province of Misamis Oriental: Cost of Doing Business*, available at the Web site <http://www.orobpc.org.ph:8080/pdf/costmor.pdf>, and (3) a news article from the Manila Times entitled “Government Mulls Cut in Export Target.” *See Factor Valuation Memorandum*.

To value factory overhead, selling, general, and administrative expenses (“SG&A”), and profit, we used the audited financial statements for the fiscal year ending December 31, 2006, from the following producers: Calfurn MFG Philippines, Inc. and Insular Rattan and Native Products Corp., both of which are Philippine producers of comparable merchandise. From this information, we were able to determine factory overhead as a percentage of the total raw materials, labor and energy

(“ML&E) costs; SG&A as a percentage of ML&E plus overhead (*i.e.*, cost of manufacture); and the profit rate as a percentage of the cost of manufacture

plus SG&A. For further discussion, see *Factor Valuation Memorandum*.

#### Preliminary Results of Review

We preliminarily determine that the following weighted-average dumping margins exist for the period January 1, 2006, through December 31, 2006:

#### WOODEN BEDROOM FURNITURE FROM THE PRC

Exporter	Weighted-average margin (percent)
Fujian Lianfu Forestry Co., Ltd., aka Fujian Wonder Pacific Inc. (Dare Group) .....	60.15
Fuzhou Huan Mei Furniture Co., Ltd. (Dare Group) .....	60.15
Jiangsu Dare Furniture Co., Ltd. (Dare Group) .....	60.15
Teamway Furniture (Dong Guan) Co. Ltd., Brittomart Inc. .....	9.81
BNBM Co., Ltd. (aka Beijing New Material Co., Ltd.) .....	39.49
Classic Furniture Global Co., Ltd. .....	39.49
Dalian Guangming Furniture Co., Ltd. .....	39.49
Decca Furniture Ltd., aka Decca .....	39.49
Dong Guan Golden Fortune Houseware Co., Ltd. .....	39.49
Dongguan Mingsheng Furniture Co., Ltd. .....	39.49
Dongguan Yihaiwei Furniture Limited .....	39.49
Fortune Furniture Ltd. and its affiliate, Dongguan Fortune Furniture Ltd. .....	39.49
Gaomi Yatai Wooden Ware Co., Ltd., Team Prospect International Ltd., Money Gain International Co. .....	39.49
Guangming Group Wumahe Furniture Co., Ltd. .....	39.49
Inni Furniture .....	39.49
Mei Jia Ju Furniture Industrial (Shenzhen) Co., Ltd. .....	216.01
Meikangchi (Nantong) Furniture Company Ltd. .....	39.49
Nanjing Nanmu Furniture Co., Ltd. .....	39.49
Po Ying Industrial Co. .....	39.49
Qingdao Beiyuan-Shengli Furniture Co., Ltd., Qingdao Beiyuan Industry Trading Co. Ltd. .....	39.49
Shenzhen Tiancheng Furniture Co., Ltd., Winbuild Industrial Ltd., Red Apple Furniture Co., Ltd. and .....	39.49
Red Apple Trading Co., Ltd. .....	39.49
Shenyang Kunyu Wood Industry Co., Ltd. .....	39.49
Shenzhen Xingli Furniture Co., Ltd. .....	39.49
Tianjin First Wood Co., Ltd. .....	39.49
Union Friend International Trade Co., Ltd. .....	39.49
Winmost Enterprises Limited .....	39.49
Winny Overseas, Ltd. .....	39.49
Yangchen Hengli Co., Ltd. .....	39.49
Yichun Guangming Furniture Co., Ltd. .....	39.49
Zhong Cheng Furniture Co., Ltd. .....	39.49
PRC-Wide Rate .....	216.01

#### 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). Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. See 19 CFR 351.309(c)(ii). Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 35 days after the date of publication. See 19 CFR 351.309(d). Further, parties submitting written comments are requested to provide the Department with an additional copy of those comments on diskette. Any interested party may request a hearing within 30 days of publication of these preliminary results. See 19 CFR 351.310(c). Any hearing, if requested, will be held two

days after the scheduled date for submission of rebuttal briefs. See 19 CFR 351.310(d).

The Department will issue the final results of the administrative and new shipper reviews, 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 19 CFR 351.213(h)(1), unless the time limit is extended.

#### Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department intends to issue appropriate assessment instructions directly to CBP 15 days after the date of publication of the final results of these new shipper and administrative reviews. In accordance with 19 CFR 351.212(b)(1), we have calculated an exporter/importer or customer-specific assessment rate or

value for merchandise subject to these reviews. For these preliminary results, we divided the total dumping margins for the reviewed sales by the total entered quantity of those reviewed sales for each applicable importer. In these reviews, if these preliminary results are adopted in our final results of review, we will direct CBP to assess the resulting rate against the entered customs value for the subject merchandise on each importer's/customer's entries during the POR.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of these reviews for shipments of subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by sections 751(a)(1)(C) and (a)(2)(G) of the Act: (1) For the Dare Group, Teamway, Mei Jia Ju, and the separate-rate applicants

being granted a separate rate, the cash deposit rate will be that established in the final results of these reviews; (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (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 216.01 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 exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

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

The Department is issuing and publishing these preliminary results of administrative review and new shipper review in accordance with sections 751(a) and 777(i)(1) of the Act, and 19 CFR 351.221(b) and 351.214(h).

Dated: January 31, 2008.

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

[FR Doc. E8-2648 Filed 2-12-08; 8:45 am]

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of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4162.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On January 17, 2008, the Department of Commerce ("Department") received a petition concerning imports of small diameter graphite electrodes ("SDGE") from the People's Republic of China ("PRC") filed in proper form by SGL Carbon LLC and Superior Graphite Co. (collectively "Petitioners"). *See Petition on Small Diameter Graphite Electrodes from the People's Republic of China dated January 17, 2008 ("Petition")*. On January 22 and 29, 2008, the Department issued a request for additional information regarding, and clarification of certain areas of, the Petition. Based on the Department's requests, the Petitioners filed additional information on January 25 and 30, 2008. The period of investigation ("POI") is July 1 through December 31, 2007. *See 19 CFR 351.204(b)*.

In accordance with section 732(b) of the Tariff Act of 1930, as amended ("the Act"), the Petitioners allege that imports of SDGE from the PRC are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports are materially injuring, or threaten material injury to, an industry in the United States.

The Department finds that the Petitioners filed this Petition on behalf of the domestic industry because the Petitioners are interested parties as defined in section 771(9)(C) of the Act, and have demonstrated sufficient industry support with respect to the antidumping duty investigation that the Petitioners are requesting that the Department initiate (*see "Determination of Industry Support for the Petition" section below*).

#### Scope of Investigation

The merchandise covered by this investigation includes all small diameter graphite electrodes of any length, whether or not finished, of a kind used in furnaces, with a nominal or actual diameter of 400 millimeters (16 inches) or less, and whether or not attached to a graphite pin joining system or any other type of joining system or hardware. Small diameter graphite electrodes are most commonly used in primary melting, ladle metallurgy, and specialty furnace applications in industries including foundries, smelters, and steel refining operations. Small diameter graphite electrodes subject to this investigation are currently classified under the Harmonized Tariff

Schedule of the United States ("HTSUS") subheading 8545.11.0000. The HTSUS number is provided for convenience and customs purposes, but the written description of the scope is dispositive.

#### Comments on Scope of Investigation

During our review of the Petition, we discussed the scope with the Petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments within 20 days of signature of this notice. Comments should be addressed to Import Administration's Central Records Unit ("CRU"), Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, attention Magd Zalok, room 3067. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determination.

#### Comments on Product Characteristics for Antidumping Duty Questionnaire

We are requesting comments from interested parties regarding the appropriate physical characteristics of SDGE to be reported in response to the Department's antidumping questionnaire. This information will be used to identify the key physical characteristics of the subject merchandise in order for respondents to accurately report the relevant factors of production, as well as develop appropriate product reporting criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as general product characteristics and product reporting criteria. We note that it is not always appropriate to use all product characteristics as product reporting criteria. We base product reporting criteria on meaningful differences among products. While there may be some physical product characteristics which manufacturers use to describe SDGE, it may be that only a select few product characteristics take into account meaningful physical characteristics. In

#### DEPARTMENT OF COMMERCE

#### International Trade Administration

[A-570-929]

#### Small Diameter Graphite Electrodes from the People's Republic of China: Initiation of Antidumping Duty Investigation

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

**EFFECTIVE DATE:** February 13, 2008.

**FOR FURTHER INFORMATION CONTACT:**  
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