after the publication date of the final results of this review, as provided for by section 751(a)(2)(c) of the Tariff Act: (1) The cash deposit rate for reviewed companies listed above will be the rates for those firms established in the final results of this review; (2) for companies previously found to be entitled to a separate rate and for which no review was requested, the cash deposit rate will be the rate established in the most recent review of that company; (3) for all other PRC exporters of subject merchandise, the cash deposit rate will be the PRC-wide rate of 160.80 percent; and (4) for non-PRC exporters of subject merchandise from the PRC not covered by this review, or by the LTFV investigation, or a previous review, the cash deposit rate will be the rate applicable to the PRC supplier of that exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification of Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under section 351.402(f)(2) of the Department's regulations to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with sections 751(a)(1) and 771 (i)(1) of the Tariff Act. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: February 28, 2001.

Bernard T. Carreau,

Deputy Assistant Secretary, Import Administration.

[FR Doc. 01–5773 Filed 3–7–01; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–862]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Foundry Coke From the People's Republic of China

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

EFFECTIVE DATE: March 8, 2001.

FOR FURTHER INFORMATION CONTACT: Doreen Chen, Marlene Hewitt, and Alex Villanueva of Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–0408, (202) 482–0165, and (202) 482–6412, respectively.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (''the Act''), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (''URAA''). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR part 351 (2000).

Preliminary Determination

We preliminarily determine that foundry coke from the People's Republic of China (PRC) is being, or is likely to be, sold in the United States at less than fair value (''LTFV''), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the ''Suspension of Liquidation'' section of this notice.

Case History

This investigation was initiated on October 10, 2000. *See Initiation of Antidumping Duty Investigation: Foundry Coke from the People's Republic of China,* 65 FR 61303 (October 17, 2000). Since the initiation of this investigation the following events have occurred.

On November 7, 2000, the Department issued section A of its antidumping questionnaire to the Embassy of the People's Republic of China, as well as courtesy copies to the following possible producers/exporters of subject merchandise named in the petition: Shanxi Grand Coalchem Industrial Company[1] (''Shanxi Grand Coalchem''), Sinochem International (''Sinochem''), CITIC Trading Company Ltd. (''CITIC'') and Minmetals Development Co. Ltd.[2] (''Minmetals'').

On November 8, 2000, the Department requested comments from interested parties regarding the criteria to be used for defining products. We received no comments from interested parties on defining products.

On November 28, 2000, the following companies with shipments of subject merchandise to the United States during the period of investigation (''POI'') submitted information regarding the quantity and value of their shipments: Shanxi Grand Coalchem, Sinochem, Minmetals, and CITIC.

We received complete Section A responses from Shanxi Grand Coalchem, Sinochem, Minmetals, CITIC and Taiyuan Yingxian Coal Carbonization Company (''Taiyuan''). Taiyuan reported that it did not have any sales of foundry coke to the United States; therefore, in accordance with Department practice, we decided not to investigate Taiyuan for this proceeding.

On November 14, 2000, the United States International Trade Commission (''ITC'') preliminarily determined that ''there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from China of foundry coke.'' *Foundry Coke from China,* (Investigation No. 731–TA–891 (Preliminary)), 65 FR 69573 (November 17, 2000).

On November 28, 2000, respondents submitted their complete section A responses. On December 19, 2000, the Department issued section A supplemental questionnaires to Sinochem and Shanxi Grand Coalchem. On December 29, 2000, the Department issued section A supplemental questionnaires to CITIC and Minmetals. On January 8, 2001, respondents submitted their responses to the Department's supplemental section A questionnaire. On January 23, 2001, Minmetals submitted its response to section D from its supplier. On January 23, 2001, CITIC, Sinochem and Shanxi Grand Coalchem provided section D responses from only some of their suppliers. Also on January 23, 2001, we requested respondents to provide section D information from all companies that supplied them subject merchandise for sales subject to this investigation. On January 26, 2001, we issued a second supplemental questionnaire for section A and supplemental section C and D questionnaires to respondents. On January 30, 2001, CITIC, Sinochem and Shanxi Grand Coalchem responded that they could not provide section D responses from all of their suppliers because these suppliers were shut down by the Chinese government for noncompliance with environmental standards. In addition, these respondents noted that these suppliers are unrelated to these respondents and

[1] Shanxi Grand Coalchem recently changed its name to Shanxi Dajin International (Group) Co. Ltd. However, in this notice, Shanxi Grand Coalchem will be referred to as Shanxi Grand Coalchem.

[2] Minmetals recently changed its name to Minmetals Townlord Technology Co., Ltd. However, in this notice, Minmetals will be referred to as Minmetals.

only supplied relatively small quantities to them. On February 8, 2001, respondents submitted their responses to supplemental sections C and D questionnaires and a second supplemental section A questionnaire.

On January 10, 2001, we requested publicly-available information for valuing the factors of production and comments on surrogate country selection. On January 23 and 30, 2001, petitioners and respondents submitted comments and rebuttal comments on the surrogate country selection and on surrogate values, respectively.

Period of Investigation

The period of investigation (POI) is January 1, 2000 through June 30, 2000. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (September 20, 2000). 19 CFR 351.204(b)(1).

Scope of Investigation

For purposes of this investigation, the product covered is coke larger than 100 mm (4 inches) in maximum diameter and at least 50 percent of which is retained on a 100-mm (4 inch) sieve, of a kind used in foundries.

The foundry coke products subject to this investigation are currently classifiable under subheading 2704.00.00.10 (as of Jan 1, 2000) and 2704.00.00.11 (as of July 1, 2000) of the *Harmonized Tariff Schedules of the United States* (HTSUS). Although the HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of this investigation is dispositive.

On November 13, 2000, USG Interiors, Inc. (''USG Interiors'') and Rock Wool Manufacturing Company (''Rockwool'') submitted a written request for an amendment to the scope of this investigation to exclude foundry coke used for industrial purposes. Rockwool and USG Interiors argued that the scope of the investigation is over inclusive as the current scope definition includes industrial coke, which is not the intended subject merchandise for this investigation. Rockwool and USG Interiors explained that industrial coke results from foundry coke degraded during transit.

On November 17, 2000, petitioners submitted a response in opposition to USG Interiors and Rockwell's scope request, arguing that Rockwool and USG Interiors have no standing to make a scope exclusion request since they are not importers and that Rockwool and USG Interiors have failed to demonstrate that the material used by Rockwool and USG Interiors is imported as foundry coke. Petitioners argue that Rockwool and USG Interiors have not provided any information on the classification at entry of the merchandise. According to petitioners, Rockwool and USG Interiors have not established the legal and factual foundation for their claims, i.e., that the degradation occurs after entry of the merchandise and prior to delivery.

We agree with petitioners that Rockwool and USG Interiors have failed to provide any evidence substantiating their claim that Rockwool and USG Interiors use imported foundry coke that becomes degraded after entry of the merchandise and prior to delivery. Morever, in making their request for a scope exclusion, Rockwool and USG Interiors have failed to articulate a product description which distinguishes industrial coke from foundry coke other than by end-use. Since the Department determines the scope of its investigations by product description and not intended or actual use, we preliminary determine to deny this exclusion.

Nonmarket Economy Country Status

The Department has treated the PRC as a non-market economy (NME) country in all past antidumping investigations *(see, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Bulk Aspirin From the People's Republic of China,* 65 FR 33805 (May 25, 2000), and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Non-Frozen Apple Juice Concentrate from the People's Republic of China,* 65 FR 19873 (April 13, 2000). A designation as a NME remains in effect until it is revoked by the Department (*see* section 771(18)(C) of the Act). The respondents in this investigation have not requested a revocation of the PRC's NME status. We have, therefore, preliminarily determined to continue to treat the PRC as a NME country. When the Department is investigating imports from a NME, section 773(c)(1) of the Act directs us to base the normal value (NV) on the NME producer's factors of production, valued in a comparable market economy that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed under the Normal Value section, below.

Furthermore, no interested party has requested that the foundry coke industry in the PRC be treated as a market-oriented industry and no information has been provided that would lead to such a determination. Therefore, we have not treated the foundry coke industry in the PRC as a market-oriented industry in this investigation.

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 assessed a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of merchandise subject to investigation in a NME country this single rate, unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. In this case, each respondent has requested a separate company-specific rate.

CITIC stated that it is wholly-owned by China International Trust and Investment Corporation and that it has no relationship to the provincial or local governments, other than having to obey generally applicable laws regarding taxation, labor, environmental protection and other matters. CITIC claimed that it makes independent business decisions without state involvement and that there is no state involvement in any manner in setting prices or quantities regarding the sale of the subject merchandise.

Minmetals stated that it is majority-owned by a company which is in turn owned by the government. Minmetals claimed that it has no relationship with the national, provincial or local governments, other than having to obey generally applicable laws regarding taxation, labor, environmental protection and other matters.

Shanxi Grand Coalchem stated that its majority shareholder is the Bureau of Foreign Trade and Economic Cooperation Shanxi (BOFTEC), which is described as a provincial governmental agency. Shanxi Grand Coalchem claimed that it operates independently from the national and local governments with respect to all significant export activities. Sinochem stated that it is majority owned by China National Chemicals Import & Export Corporation, which in turn is owned by the state. Sinochem claimed that it operates independently from the national, provincial and local governments with respect to all significant export activities.

Based on these claims, we considered whether each respondent is eligible for a separate rate. The Department's separate rate test to determine whether the exporters are independent from government control is not concerned, in general, with 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, 61757 (November 19, 1997); *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); and *Honey from the People's Republic of China: Preliminary Determination of Sales at Less than Fair Value,* 60 FR 14725, 14726 (March 20, 1995).

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 exporting entity under a test arising out of the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China,* 56 FR 20588 (May 6, 1991) and amplified in the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China,* 59 FR 22585 (May 2, 1994) (''*Silicon Carbide*''). Under 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 governmental 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) any other formal measures by the government decentralizing control of companies. The respondents have placed on the record a number of documents to demonstrate absence of de jure control, including the ''Foreign Trade Law of the People's Republic of China'' and the ''Company Law of the People's Republic of China.'' In prior cases, the Department has analyzed these laws and found that they establish an absence of de jure control. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Certain Partial-Extension Steel Drawer Slides with Rollers from the People's Republic of China,* 60 FR 54472, 54474 (October 24, 1995); *see* also *Furfuryl Alcohol.* We have no information in this proceeding which would cause us to reconsider this determination.

As stated in previous cases, there is some evidence that the provisions of the above-cited 1988 Law and 1992 Regulations regarding enterprise autonomy have not been implemented uniformly among different sectors and/or jurisdictions in the PRC, (*see* ''PRC Government Findings on Enterprise Autonomy,'' in Foreign Broadcast Information Service-China-93–133 (July 14,1993)). 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 governmental control which would preclude the Department from assigning separate rates.

2. Absence of De Facto Control

The Department typically considers four factors in evaluating whether each respondent is subject to de facto governmental control of its export functions: (1) Whether the export prices are set by or are subject to the approval of a governmental agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses. As stated in previous cases, there is some evidence that certain enactments of the PRC central government have not been implemented uniformly among different sectors and/or jurisdictions in the PRC. *See Silicon Carbide* and *Furfuryl Alcohol.* 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 governmental control which would preclude the Department from assigning separate rates.

The respondents asserted the following: (1) They establish their own export prices; (2) they negotiate contracts without guidance from any governmental entities or organizations; (3) they make their own personnel decisions; and (4) they retain the proceeds of their export sales, using profits according to their business needs. Additionally, none of the respondents' questionnaire responses suggest pricing is coordinated among exporters. Furthermore, our analysis of the respondents' questionnaire responses reveals no other information indicating government control. As stated in the *Silicon Carbide,* 59 FR at 22587 and in *Furfuryl Alcohol,* 60 FR at 22544, ownership of the company by a state-owned enterprise does not require the application of a single rate. Based on the information provided, we preliminary determine that there is an absence of de facto governmental control of the respondents' export functions. Consequently, we preliminarily determine that CITIC, Minmetals, Shanxi Grand Coalchem, and Sinochem have met the criteria for the application of a separate rate.

Facts Available

Section 776(a) of the Act provides that, if an interested party withholds information that has been requested by the Department, fails to provide such information in a timely manner or in the form or manner requested, significantly impedes a proceeding under the antidumping statute, or provides information which cannot be verified, the Department shall use, subject to sections 782(d) and (e) of the Act, facts otherwise available in reaching the applicable determination. Pursuant to section 782(e) of the Act, the Department shall not decline to consider submitted information if that information is necessary to the determination but does not meet all of the requirements established by the Department provided that all of the following requirements are met: (1) The information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties. Companies that failed to respond to our questionnaires or reported no shipments were assigned the PRC-wide rate.

The PRC-wide antidumping rate is based on the facts available. Section 776(a)(2)(B) of the Act requires the Department to use facts available when a party does not provide the Department with information by the established deadline or in the form and manner requested by the Department.

In addition, section 776(b) of the Act provides that, if the Department finds that an interested party ''has failed to cooperate by not acting to the best of its ability to comply with a request for information,'' the Department may use information that is adverse to the interests of that party as facts otherwise available.

As discussed above, all PRC producers/exporters that do not qualify

for a separate rate are treated as a single enterprise. Because some exporters of the single enterprise failed to respond to the Department's requests for information, that single enterprise is considered to be uncooperative. In such situations, the Department generally selects as total adverse facts available the higher of the highest margin from the petition or the highest rate calculated for a respondent in the proceeding. *See Final Determination of Sales at Less Than Fair Value; Stainless Steel Sheet and Strip in Coils from Germany,* 64 FR 30710, 30714 (June 8, 1999). In the present case, the highest calculated margin is the rate calculated from the petition.

Section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition rates) as facts available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. The SAA clarifies that ''corroborate'' means that the Department will satisfy itself that the secondary information to be used has probative value (*see* SAA at 870). The SAA also states that independent sources used to corroborate may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. *See id.*

We reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose. In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the U.S. price and normal value (''NV'') calculations on which the petition margin was based and compared the sources used in the petition to publicly available information, where available, and respondent data as appropriate.

The petitioners based export price (''EP'') on import values declared to the U.S. Customs Service. For the normal value calculation, petitioners based the factors of production (''FOP'') as defined by section 773(c)(3) of the Act (raw materials, labor, energy, and representative capital costs) on the quantities of inputs used by petitioners. Petitioners asserted that detailed information is not available regarding the quantities of inputs used by the coke producers in China. Thus, petitioners assumed, for purposes of the petition, that the producers in China use the same inputs in the same quantities as a petitioners' most similar plants. Petitioners selected India as the appropriate primary surrogate country for purposes of valuing the factors. Petitioners valued factors of production, where possible, on reasonably available, public surrogate country data.

Our review of the EP and NV calculations indicated that the information in the petition has probative value as certain information included in the margin calculation in the petition is from public sources, concurrent, for the most part, with the POI. With regard to the EP calculation in the petition, the information relied upon was based on publicly available sources, that is, official U.S. government statistics; therefore, we find that the U.S. price from the petition margin is sufficiently corroborated.

With regard to NV, petitioners relied on both publicly available data and information obtained from a U.S. coke producer. The values for the factors of production were based on publicly available information for comparable inputs; therefore, we find that the factors of production values are sufficiently corroborated. We also find that with the exception of electricity, the usage rates based on a U.S. coke producer were sufficiently corroborated by information submitted by respondents in the course of this proceeding, as they fell within the range of the usage rates based data from the respondents. For factory overhead, SG&A expenses, and profit, we used the 1999–2000 financial statement from Gujarat NRE Coke, Ltd., an Indian producer of the subject merchandise. These are the same financial ratios we used for cooperating respondents.

We could not corroborate the energy usage rates used in the petition because we determined that the energy rates used in the petition reflected an energy process from the U.S. foundry coke production process, which differs from the energy process used in foundry coke production in the PRC. We recalculated the petition margin using an electricity usage rate based on information reported by respondents. We valued this electricity using the same data as for cooperating respondents. For further information, *see Preliminary Determination in the Investigation of Foundry Coke from the People's Republic of China—Facts Available Corroboration Memorandum from Alex Villanueva to James C. Doyle,* dated February 27, 2001.

Accordingly, for the preliminary determination, the PRC-wide rate is 214.89 percent. For the final determination, the Department will consider all margins on the record at that time for the purpose of determining the most appropriate margin.

Minmetals fully responded to all of our requests for information within the established deadlines. Therefore, for Minmetals, we did not resort to facts available in calculating a margin for Minmetals.

On the other hand, CITIC, Sinochem, and Shanxi Grand Coalchem did not fully respond to our Section D questionnaire within the established deadlines. Specifically, the aforementioned respondents did not comply with our request in the original questionnaire to provide Section D questionnaire responses from all of their suppliers of foundry coke.

CITIC, Sinochem, and Shanxi Grand Coalchem initially claimed that they could not obtain responses from all of their suppliers because certain suppliers were shut down for environmental reasons. Respondents further clarified that those suppliers for which they were unable to submit section D information are unrelated to respondents and represent only a small percentage of the sales quantity supplied to respondent exporters. Subsequently, in a supplemental questionnaire dated January 26, 2001, we asked CITIC, Sinochem, and Shanxi Grand Coalchem to provide evidence substantiating their claim that certain of their suppliers were shut down. We also requested that they provide a copy of the notification to the government of the company closure and to indicate when the company shutdown and to describe the nature of the shutdown. In response to these requests, CITIC, Sinochem and Shanxi Grand Coalchem submitted a copy of a government decree ordering the closure of environmentally hazardous foundry coke plants. (*See* February 8, 2001 Supplemental Questionnaire response.) In addition, CITIC and Shanxi Grand Coalchem provided letters from some of the non-responsive suppliers which indicated that these suppliers expressed that they would not participate in this investigation.

We preliminarily find that CITIC, Sinochem, and Shanxi Grand Coalchem did not act to the best of their ability in obtaining Section D responses from their suppliers. As for the suppliers which expressed a lack of interest in participating in this investigation, CITIC, Sinochem and Shanxi Grand Coalchem did not act to the best of their ability in urging these suppliers to comply with our requests for information. Furthermore, these suppliers are interested parties that, by withholding requested information, have failed to cooperate by not acting to

the best of their abilities. As for the other non-responsive suppliers claimed to have been shutdown, we determined the information submitted did not sufficiently demonstrate their suppliers were in fact shut down by the government since the government document did not provide names of the foundry coke producers subject to the governmental decree or any other information that would suggest that any specific company had been shut down.

For the above reasons, we find that CITIC, Sinochem and Shanxi Grand Coalchem did not act to the best of their ability in obtaining section D responses from all of their suppliers; therefore, we find that the application of adverse facts available is warranted. As adverse facts available, we applied the highest calculated normal value for each respondent to the total volume of that respondent's merchandise produced by each non-responsive supplier. We then weight-averaged these resulting normal values with the calculated normal values to derive each appropriate respondent's preliminary margin.

One supplier of both Shanxi Grand Coalchem and Sinochem failed to provide freight information for the raw material input coking coal. Specifically, this supplier failed to list the number and names of the coking coal suppliers, distances from the supplier, and quantities purchased. This information was requested twice by the Department. (*See* Antidumping Questionnaire dated November 7, 2000 and Supplemental Questionnaire dated January 26, 2001.) Therefore, since this information was requested twice by the Department and not supplied, we have determined that Shanxi Grand Coalchem and Sinochem did not act to the best of their ability in obtaining freight information for coking coal, and, thus, adverse facts available is warranted. As adverse facts available, we used the highest calculated freight value for coking coal among the suppliers for each respondent.

Sinochem failed to report a portion of its sales of foundry coke that are subject to this investigation. In our supplemental questionnaires dated December 20, 2000 and January 26, 2001, we requested Sinochem to report this sale; however, Sinochem did not report this sale, claiming that the amount of subject merchandise in this sale is minimal. As Sinochem has failed to provide any information regarding a sale of subject merchandise to the United States and since this information was requested twice by the Department, as adverse facts available, we applied the rate from the petition, as applied for the PRC-wide rate, to the total volume of the sale potentially representing subject merchandise. We then weight-averaged this margin with the calculated margin to derive Sinochem's preliminary margin.

Surrogate Country

When investigating imports from an NME country, section 773(c)(1) of the Act directs the Department, in most circumstances, to base normal value (''NV'') on the NME producer's factors of production, valued in a surrogate market economy country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, the Department, in valuing the factors of production, shall utilize, to the extent possible, the prices or costs of factors of production in one or more market economy countries that are at a level of economic development comparable to the NME country and are significant producers of comparable merchandise. The sources of the surrogate factor values are discussed under the NV section below.

The Department has determined that India, Pakistan, Sri Lanka, Egypt, Indonesia, and the Phillippines are countries comparable to the PRC in terms of economic development. *See Memorandum from Jeff May to Edward Yang: Antidumping Duty Investigation on Foundry Coke Products from the People's Republic of China,* dated January 9, 2001. Customarily, we select an appropriate surrogate based on the availability and reliability of data from these countries. For PRC cases, the primary surrogate has often been India if it is a significant producer of comparable merchandise. In this case, we have found that India is a significant producer of comparable merchandise.

We used India as the primary surrogate country and, accordingly, we have calculated NV using Indian prices to value the PRC producers' factors of production, when available and appropriate. *See* Surrogate Country Selection Memorandum to The File from James Doyle, Program Manager, dated February 27, 2001, (''*Surrogate Country Memorandum*''). We have obtained and relied upon publicly available information wherever possible. *See Factor Valuation Memorandum to The File from Alex Villanueva and Doreen Chen*, dated February 27, 2001 (''*Factor Valuation Memorandum*'').

In accordance with section 351.301(c)(3)(i) of the Department's regulations, for the final determination in an antidumping investigation, interested parties may submit publicly available information to value factors of production within 40 days after the date of publication of this preliminary determination.

Fair Value Comparisons

To determine whether sales of foundry coke to the United States by CITIC, Minmetals, Sinochem, and Shanxi Grand CoalChem were made at less than fair value, we compared EP to NV, as described in the ''Export Price'' and ''Normal Value'' sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs.

Export Price

In accordance with section 772(a) of the Act, we used EP because the subject merchandise was sold directly to unaffiliated customers in the United States prior to importation and because constructed export price was not otherwise indicated. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI-wide weighted-average EPs to the NVs. *See Valuation Memorandum.* We calculated EP based on prices to unaffiliated purchasers in the United States. We made deductions, where appropriate, for foreign inland freight and brokerage, billing adjustments and handling.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using a factors-of-production 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.

Factors of production include: (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 calculated NV based on factors of production reported by each respondent. For a further discussion, see the *Analysis Memo.* We valued all the input factors using publicly available published information as discussed in the ''Surrogate Country'' and ''Factor Valuations'' sections of this notice.

Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by respondents for the POI. To calculate NV, the reported per-unit factor quantities were multiplied by publicly available Indian surrogate values. In selecting the surrogate values, 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. We added to Indian surrogate values 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. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp.* v. *United States*, 117 F. 3d 1401 (Fed. Cir. 8342 1997). For those values not contemporaneous with the POI, we adjusted for inflation using wholesale price indices published in the International Monetary Fund's International Financial Statistics.

We valued the factors of production as follows: to value paper, coking coal, supplementary coke and wood, we used the weighted-average unit import values derived from the *Monthly Trade Statistics of Foreign Trade of India—Volume II—Imports* (''*Indian Import Statistics*'') for the period of April 1998 through March 1999, adjusted for inflation through the POI. We rejected the surrogate value for coking coal provided by respondents since the coking coal value provided was for a significantly lower quality of coking coal than that which is actually used by foundry coke producers.

To value electricity, we used data reported as the average Indian domestic prices within the category ''Electricity for Industry,'' published in the International Energy Agency's publication, *Energy Prices and Taxes,* Fourth Quarter, 1999.

We used Indian transport information to value transport for raw materials. For domestic inland freight (truck), we used a price quote from an Indian trucking company, adjusted for inflation through the POI. For domestic inland freight (rail), we used freight rates as quoted from Indian Railway Conference Association price lists, adjusted for inflation through the POI.

To value factory overhead, selling, general and administrative expenses (''SG&A''), and profit, we calculated simple average rates based on financial information from an Indian foundry coke producer. (For a further discussion of the surrogate values for overhead, SG&A and profit, see the *Factor Valuation Memorandum*.) For labor, consistent with section 351.408(c)(3) of the Department's regulations, we used the PRC regression-based wage rate at Import Administration's home page, Import Library, Expected Wages of Selected NME Countries, revised in May 2000 (*see http:// ia.ita.doc.gov/wages*). The source of the wage rate data on the Import Administration's Web site can be found in the *1999 Year Book of Labour Statistics*, International Labor Office (Geneva: 1999), Chapter 5B: Wages in Manufacturing.

Verification

As provided in section 782(i)(1) of the Act, we intend to verify all company information relied upon in making our final determination.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the U.S. Customs Service to suspend liquidation of all imports of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the U.S. Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin
Shanxi Grand Coalchem Industrial Co., Ltd.[3]	147.21
Sinochem International Co., Ltd	211.42
Minmetals Development Co., Ltd.[4]	140.18
CITIC Trading Company, Ltd	136.52
PRC-Wide	214.89

[3] Otherwise known as Shanxi Dajin International (Group) Co. Ltd.

[4] Otherwise known as Minmetals Townlord Technology Co., Ltd.

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination of sales at LTFV. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation, of the subject merchandise.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Import Administration no later than fifty days after the date of publication of this notice, and rebuttal briefs, limited to issues raised in case briefs, no later than fifty-five days after the date of publication of this preliminary determination. *See* 19 CFR 351.309(c)(1)(i); 19 CFR 351.309(d)(1). A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, any hearing will be held fifty-seven days after publication of this notice at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the date of publication of this notice. *See* 19 CFR 351.310(c). Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. At the hearing, each party may make an affirmative presentation only on issues raised in that party's case brief, and may make rebuttal presentations only on arguments included in that party's rebuttal brief. *See* 19 CFR 351.310(c).

If this investigation proceeds normally, we will make our final determination no later than 75 days after the date of the preliminary determination.

This determination is issued and published in accordance with sections 733(d) and 777(i)(1) of the Act. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: February 27, 2001.

Bernard T. Carreau,

Deputy Assistant Secretary, Import Administration.

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