about to occur, or was intended to occur, Jin committed four violations of section 787A.4 of the former Regulations.

In addition, the charging letter alleged that on 12 separate occasions between on or about June 6, 1997, and on or about January 16, 2000, Jin exported phosphine, arsine, trimethylgallium, thimethylaluminum, and trimethylindium from the United States to the People's Republic of China without obtaining the export licenses required by section 742.4 of the Regulations. BXA alleged that, by engaging in conduct prohibited by or contrary to the Act, Regulations, or any order, license or authorization issued thereunder, Jin committed 12 violations of section 764.2(a) of the Regulations. The charging letter also alleged that in connection with the exports made between on or about June 6, 1997, and on or about January 16, 2000, Jin knew or had reason to know that the export from the United States of phosphine, arsine, trimethylgallium, thimethylaluminum, and trimethylindium to the People's Republic of China required export licenses. BXA alleged that, by selling or transferring commodities exported or to be exported from the United States with knowledge that a violation of the Act, or the Regulations, or any order, license or authorization issued thereunder, has occurred, was about to occur, or was intended to occur, Jin committed 12 violations of section 764.2(e) of the Regulations.

Section 766.3(b)(1) of the Regulations provides that notice of issuance of a charging letter shall be served on a respondent by mailing a copy by registered or certified mail addressed to the respondent at respondent's last known address. In accordance with that section, on February 28, 2001, BXA sent to Jin, at his address in San Jose, California, notice that it had issued a charging letter against him. BXA has established that delivery of the notice was made at that address on March 5, 2001.

To date, Jin has not filed an answer to the charging letter. Accordingly, because Jin has not answered the charging letter as required by and in the manner set forth in section 766.6 of the Regulations, Jin is in default.

Pursuant to the default procedures set forth in section 766.7 of the Regulations, I therefore find the facts to be as alleged in the charging letter, and hereby determine that Jin committed one violation of section 787.4, one violation of section 787.6, four violations of section 787A.4, and four violations of section 787A.6 of the former Regulations, and 12 violations of section 764.2(a) and 12 violations of section 764.2(e) of the Regulations, for a total of 34 violations.

Section 764.3 of the Regulations establishes the sanctions available to BXA for the violations charged in this default proceeding. The applicable sanctions as set forth in the Regulations are a civil monetary penalty, suspension from practice before BXA, and/or a denial of export privileges. *See* 15 CFR 764.3 (2001).

BXA urges that I recommend to the Under Secretary for Export Administration[3] that Jin be denied all U.S. export privileges for a period of 25 years for the following reasons.

First, BXA believes that Jin has left the United States. Jin has not responded to the allegations set forth in the charging letter issued, and Jin has not demonstrated any intention of ever resolving this matter, either through the hearing process or through settlement. In light of these circumstances, the denial of all of Jin's export privileges is the appropriate sanction, because it is unlikely that Jin would ever pay a civil monetary penalty or that BXA would ever collect a civil monetary if one were imposed.

Second, an appropriate sanction should be tailored to the severity of the violation. Jin, for a period of five years, exported commodities from the United States to the People's Republic of China without the required BXA licenses. Jin exported the commodities with full knowledge that licenses were required but he did not obtain the licenses. Given the fact that Jin is charged with multiple violations of the Regulations over a course of several years, a 25 year denial is warranted.

Given the foregoing, I concur the BXA, and recommend that the Under Secretary for Export Administration enter an Order against Jin denying his export privileges for a period of 25 years.[4]

Accordingly, I am referring my recommended decision and order to the Under Secretary for review and final action for the agency, without further notice to the respondent, as provided in section 766.7 of the Regulations.

Within 30 days after receipt of this recommended decision and order, the Under Secretary shall issue a written order affirming, modifying or vacating the recommended decision and order. *See* 15 CFR 766.22(c)(2001).

Dated: June 25, 2001.

Edwin M. Bladen,

Administrative Law Judge.

[FR Doc. 01–19614 Filed 8–3–01; 8:45 am]

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[3] Pursuant to section 13(c)(1) of the Act and section 766.17(b)(2) of the Regulations, in export control enforcement cases the Administrative Law Judge issues a recommended decision which is reviewed by the Under Secretary for Export Administration who issues the final decision for the agency.

[4] Denial orders can be either ''standard'' or ''non-standard.'' A standard order denying export privileges is appropriate in this case. The terms of a standard denial order are set forth in Supplement No. 1 to Part 764 of the interim rule.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–866]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Folding Gift Boxes From the People's Republic of China

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

EFFECTIVE DATE: August 6, 2001.

FOR FURTHER INFORMATION CONTACT: Thomas Schauer or George Callen, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–0410 and (202) 482–0180, respectively.

The Applicable Statute and Regulations

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

Preliminary Determination

We preliminarily determine that certain folding gift boxes (gift boxes) from the People's Republic of China (PRC) are being, or are 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

We initiated this investigation on March 12, 2001. *See Initiation of Antidumping Duty Investigation: Certain Folding Gift Boxes From the*

People's Republic of China, 66 FR 15400 (March 19, 2001) (*Initiation Notice*). The Department set aside a period for all interested parties to raise issues regarding product coverage. See *Initiation Notice*, 66 FR at 15400. On March 20, 2001, Harvard Folding Box Company and Field Container Company, Inc. (collectively, ''the petitioners'') requested that the scope of the investigation be amended to exclude gift boxes for which no side of the box when assembled is at least nine inches in length and gift boxes where both the outside of the box is a single color and the box is not packaged in shrink-wrap, cellophane, other resin-based packaging films, or paperboard. We have adopted the changes requested by the petitioners. See Memorandum from Thomas Schauer to the File dated March 21, 2001. (Public versions of memoranda identified in this notice are available in the Central Records Unit, Room B–099, of the main Commerce building.)

Since the initiation of this investigation the following events have occurred.

On March 29, 2001, we issued a letter to interested parties in this investigation providing an opportunity to comment on the characteristics we should use in identifying the different models the respondents sold in the United States. The petitioners submitted comments on April 10, 2001. No other party submitted comments. After reviewing the petitioners' comments, we have adopted the characteristics proposed by the petitioners.

The petitioners argued, in their February 20, 2001, petition, that the Department should extend the period of investigation (POI) to cover all of calendar year 2000. In order to collect the data necessary to determine whether to extend the POI and to identify respondents, on March 27, 2001, we sent partial section A questionnaires to all producers/exporters of the subject merchandise listed in the petition and to the Chinese government asking for its assistance in delivering the questionnaire to all producers/exporters of the subject merchandise. We received responses from Max Fortune Industrial Ltd. (Max Fortune), Red Point Paper Products Co., Ltd. (Red Point), Luk Ka Paper Industrial Ltd. (Luk Ka), and Dexon Workshop Company (Dexon) that indicated that these companies all exported subject merchandise to the United States during the POI. We also received responses from Leo Paper Products Ltd., Chung Tai Printing (China) Co., Ltd., Mang Sang Envelope Manufacturing Co., Ltd., Hung Hing Off-Set Printing Co., Ltd., and K.C. (Hong Kong) Ltd. These companies indicated they did not export subject merchandise to the United States during calendar year 2000.

We did not receive responses from the other producers/exporters identified in the February 20, 2001, petition. These companies are Rank Sharp Investments, Ltd., Bigfield Goldenford Holdings Ltd., Fangyuan International Economy and Trade Co., and Hong Kong Dasan Paper Products Co., Ltd. The record indicates that these companies received our March 27, 2001, questionnaire. See Memorandum from Thomas Schauer to the file dated July 13, 2001. On April 13, 2001, we sent a letter to these firms to reiterate our request for a response to our March 27, 2001, questionnaire. We received no responses from these firms.

On April 13, 2001, the United States International Trade Commission (ITC) issued its affirmative preliminary determination that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of the subject merchandise from the PRC, which the ITC published in the **Federal Register** on April 18, 2001. See *Folding Gift Boxes From China*, 66 FR 19981 (April 18, 2001) (*ITC Preliminary Determination*).

On May 1, 2001, the Department selected Red Point, Luk Ka, and Max Fortune as mandatory respondents and decided not to extend the POI. See Memorandum from Laurie Parkhill to Richard W. Moreland dated May 1, 2001.

On May 1, 2001, the Department issued its antidumping questionnaire to Red Point, Luk Ka, and Max Fortune. On June 13, 2001, we learned from counsel for Luk Ka that Luk Ka was not going to submit a response to our questionnaire. See Memorandum from Thomas Schauer to the File dated June 13, 2001. On June 21, 2001, we received responses to our questionnaire from Red Point and Max Fortune.

The petitioners filed comments on the respondents' submissions in June 2001. On June 29, 2001, the Department issued supplemental questionnaires to Red Point and Max Fortune. On July 13, 2001, we received responses to our supplemental questionnaires from Red Point and Max Fortune.

On June 6, 2001, we requested publicly available information for valuing the factors of production and comments on surrogate-country selection. On June 29, 2001, we received comments from Max Fortune on the surrogate country it believes is appropriate to use for valuing the factors of production.

On July 20, 2001, the petitioners submitted additional factors information and argument for the use of Indonesia as the surrogate country. However, this information came in too late for us to be able to use it in our preliminary determination. We intend to re-examine the issue of surrogate-country selection for our final determination and invite parties to comment pursuant to the instructions in the ''Public Comment'' section of this notice, below.

Period of Investigation

The POI corresponds to each exporter's two most recent fiscal quarters prior to the filing of the petition, *i.e.,* July 1, 2000, through December 31, 2000.

Scope of Investigation

The products covered by this investigation are certain folding gift boxes. Certain folding gift boxes are a type of folding or knock-down carton manufactured from paper or paperboard. Certain folding gift boxes are produced from a variety of recycled and virgin paper or paperboard materials, including, but not limited to, clay-coated paper or paperboard and kraft (bleached or unbleached) paper or paperboard. The scope of the investigation excludes gift boxes manufactured from paper or paperboard of a thickness of more than 0.8 millimeters, corrugated paperboard, or paper mache. The scope of the investigation also excludes those gift boxes for which no side of the box, when assembled, is at least nine inches in length.

Certain folding gift boxes are typically decorated with a holiday motif using various processes, including printing, embossing, debossing, and foil stamping, but may also be plain white or printed with a single color. The subject merchandise includes certain folding gift boxes, with or without handles, whether finished or unfinished, and whether in one-piece or multi-piece configuration. One-piece gift boxes are die-cut or otherwise formed so that the top, bottom, and sides form a single, contiguous unit. Two-piece gift boxes are those with a folded bottom and a folded top as separate pieces. Certain folding gift boxes are generally packaged in shrink-wrap, cellophane, or other packaging materials, in single or multi-box packs for sale to the retail customer. The scope of the investigation excludes folding gift boxes that have a retailer's name, logo, trademark or similar company information printed prominently on the box's top exterior (such folding gift boxes are often known as ''not-for-

resale'' gift boxes or ''give-away'' gift boxes and may be provided by department and specialty stores at no charge to their retail customers). The scope of the investigation also excludes folding gift boxes where both the outside of the box is a single color and the box is not packaged in shrink-wrap, cellophane, other resin-based packaging films, or paperboard.

Imports of the subject merchandise are classified under *Harmonized Tariff Schedules of the United States* (HTSUS) subheadings 4819.20.00.40 and 4819.50.40.60. These subheadings also cover products that are outside the scope of this investigation. Furthermore, although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion, when faced with a large number of exporters/producers, to limit its examination to a reasonable number of such companies if it is not practicable to examine all companies. There is no data on the record that indicates conclusively the number of producers/exporters from the PRC that exported the subject merchandise to the United States during the POI.

On March 27, 2001, the Department sent partial section A questionnaires addressed to all producers/exporters of the subject merchandise listed in the petition and to the Chinese government asking for its assistance in delivering the questionnaire to all producers/exporters of the subject merchandise. On April 11, 2001, Max Fortune and Red Point submitted their responses. On April 17, 2001, we received a response from Dexon. Finally, on April 19, 2001, we received a response from Luk Ka. All of these companies had export sales to the United States. However, Dexon indicated that it went out of business on March 26, 2001. On this basis, we have no reason to believe that Dexon continues to be a going concern that would be affected by this antidumping investigation. For this reason, we found that it is not necessary to investigate Dexon further. In addition, Red Point, Luk Ka, and Max Fortune were responsible for over 99.7 percent of all exports during the POI of subject merchandise of the companies that responded to our March 27, 2001, questionnaire. Therefore, we examined Red Point, Luk Ka, and Max Fortune as mandatory respondents but did not investigate Dexon. See Memorandum from Laurie Parkhill to Richard W. Moreland dated May 1, 2001.

Non-Market-Economy Country Status

The Department has treated the PRC as a non-market-economy (NME) country in all past antidumping investigations (*see, e.g., Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate from the People's Republic of China,* 64 FR 71104 (December 20, 1999), and *Final Determination of Sales at Less Than Fair Value: Certain Preserved Mushrooms from the People's Republic of China,* 63 FR 72255 (December 31, 1998)). A designation as an 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 an NME. When we investigate imports from an 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 market economy at a comparable level of economic development and that is a significant producer of comparable merchandise. The sources used to value individual factors are discussed in the ''Factor Valuations'' section, below.

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. In this case, two respondents have requested separate company-specific rates. Max Fortune is a Hong Kong company which is wholly owned by two Hong Kong nationals. Red Point is a Hong Kong company which is wholly owned by non-PRC nationals. Because Hong Kong companies are treated as market-economy companies (see *Application of U.S. Antidumping and Countervailing Duty Laws to Hong Kong,* 62 FR 42965 (August 11, 1997)), we determine that no separate-rate analysis is required for either Max Fortune or Red Point.

Although the record indicates that Luk Ka is located in Hong Kong, Luk Ka did not respond in full to our questionnaire. See Memorandum to File dated June 13, 2001. Therefore, we have no information as to who owns Luk Ka, whether it is registered for business in Hong Kong or the PRC, or what degree of control the government of the PRC exercises over Luk Ka. Therefore, we preliminarily determine that Luk Ka has not rebutted the presumption that it is subject to PRC government control and is part of the PRC-wide entity.

The PRC-Wide Rate

All exporters were given the opportunity to respond to the Department's questionnaire. As explained above, we received questionnaire responses from Red Point and Max Fortune. Luk Ka did not respond to our full questionnaire, but its response to our March 27, 2001, questionnaire indicated it exported the subject merchandise to the United States during the POI. For this reason, we preliminarily determine that at least one PRC exporter of certain folding gift boxes failed to respond to our questionnaire. Moreover, because Rank Sharp Investments, Ltd., Bigfield Goldenford Holdings Ltd., Fangyuan International Economy and Trade Co., and Hong Kong Dasan Paper Products Co., Ltd., did not respond to our March 27, 2001, request for information, we assume that these companies also exported the subject merchandise to the United States during the POI. Consequently, we are applying a single antidumping rate—the PRC-wide rate—to all other exporters in the PRC based on our presumption that those respondents who failed to demonstrate entitlement to a separate rate constitute a single enterprise under common control by the Chinese government. *See, e.g., Final Determination of Sales at Less Than Fair Value: Synthetic Indigo from the People's Republic of China,* 65 FR 25706, 25707 (May 3, 2000). The PRC-wide rate applies to all entries of subject merchandise except for entries from Red Point and Max Fortune.

Use of Facts Otherwise Available

Section 776(a)(2) 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 such information but the information cannot be verified, the Department shall, subject to sections 782(d) and (e) of the Act, use 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.

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 explained above, the exporters comprising the single PRC-wide entity failed to respond to the Department's request for information. Pursuant to section 776(a) of the Act, in reaching our preliminary determination, we have used total facts available for the PRC-wide rate because we did not receive the data needed to calculate a margin for that entity. Also, because the exporters comprising the PRC-wide entity failed to respond to the Department's requests for information, the Department has found that the PRC-wide entity failed to cooperate to the best of its ability. Therefore, pursuant to section 776(b) of the Act, we have used an adverse inference in selecting from the facts available for the margin for that entity. As adverse facts available, we recalculated the margins that the petitioners alleged in their February 20, 2001, petition using the surrogate values we selected for the preliminary determination and selected the higher of the two margins because the margins derived from the information in the petition are higher than the margins we have calculated for the responsive exporters.

Section 776(c) of the Act provides that, where the Department selects from among the facts otherwise available and relies on ''secondary information,'' such as the petition, the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The Statement of Administrative Action accompanying the URAA, H.R. Doc. No. 103–316 (1994) (SAA), states that ''corroborate'' means to determine that the information used has probative value. See SAA at 870.

The petitioners' methodology for calculating the export price (EP) and normal value (NV) in the petition is discussed in the initiation notice. See *Initiation Notice,* 66 FR at 15401–15402. To corroborate the petitioners' EP calculations, we compared the prices in the petition to the prices submitted by Max Fortune for comparable products. To corroborate the petitioners' NV calculations, we compared the petitioners' factor-consumption data to the data reported by Max Fortune and Red Point. Finally, we valued the factors in the petition using the surrogate values we selected for the preliminary determination.

As discussed in the memorandum to the file entitled Corroboration of Facts Available, dated July 30, 2001, we found that the EP and factors-of-production information in the petition were reasonable and, therefore, we preliminarily determine that the petition information has probative value. Accordingly, we find that the highest margin based on petition information and adjusted as described above, 164.75 percent, is corroborated within the meaning of section 776(c) of the Act.

Accordingly, for the preliminary determination, the PRC-wide rate is 164.75 percent. Because this is a preliminary margin, the Department will consider all margins on the record at the time of the final determination for the purpose of determining the most appropriate final PRC-wide margin.

Surrogate Country

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer's factors of production, valued in a surrogate market-economy country or countries selected in accordance with section 773(c)(4) of the Act. In accordance with that provision, the Department 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 in the ''Normal Value'' section below.

The Department has determined that India, Pakistan, Indonesia, Sri Lanka, and the Philippines are countries comparable to the PRC in terms of economic development. See Memorandum from Jeffrey May to Laurie Parkhill: Antidumping Duty Investigation on Certain Folding Gift Boxes from the People's Republic of China, dated June 12, 2001. Customarily, we select an appropriate surrogate based on the availability and reliability of data from these countries. In this case, we have found that India is a significant producer of comparable merchandise and we have reliable data from India which we can use to value the factors of production.

We have used India as the 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 Thomas Schauer dated July 30, 2001 (Surrogate Country Memorandum). We have obtained and relied upon publicly available information wherever possible. See Factor Valuation Memorandum to Laurie Parkhill from Thomas Schauer, dated July 30, 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 certain folding gift boxes to the United States by Red Point and Max Fortune 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 for Max Fortune and Red Point because the subject merchandise was sold directly to unaffiliated customers in the United States prior to importation and because CEP 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.

We calculated EP based on prices to unaffiliated purchasers in the United States. For Max Fortune we made deductions, where appropriate, for foreign inland freight, seaport charges, brokerage and handling, and declaration fees. All of these charges were provided by Hong Kong companies and charged in Hong Kong dollars. Therefore, valuation of these charges based on surrogate values was not necessary.

Red Point claimed that the Department should classify all of its sales as CEP sales because, it claimed, its importer, The Lindy Bowman Company, is an affiliated party within the meaning of section 771(33) of the Act. Based on our review of the business relationship of Red Point and Lindy Bowman, we concluded that Red Point has not demonstrated that the two firms are affiliated. See Red Point United States Price Analysis Memorandum dated July 30, 2001. We intend to examine this issue further at verification.

We calculated weighted-average EPs for Red Point's U.S. sales made to Lindy Bowman. We made deductions, where appropriate, for foreign inland freight from the plant to the port of exportation, domestic brokerage and handling, marine insurance, U.S. brokerage and handling, and U.S. Customs duties in accordance with section 772(c)(2)(A) of the Act. All of these charges were provided by Hong Kong or U.S. companies and charged in Hong Kong dollars or U.S. dollars. Therefore, valuation of these charges based on surrogate values was not necessary.

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 used factors of production, reported by respondents, for materials, energy, labor, by-products, and packing. We valued all input factors not obtained from market economies using publicly available published information as discussed in the ''Surrogate Country'' and ''Factor Valuations'' sections of this notice.

In accordance with 19 CFR 351.408(c)(1), where a producer sources an input from a market economy and pays for it in market-economy currency, the Department employs the actual price paid for the input to calculate the factors-based NV. *See* also *Lasko Metal Products* v. *United States*, 437 F.3d 1442, 1445–1446 (Fed. Cir. 1994). Both Max Fortune and Red Point reported that some of their inputs were purchased from market economies and paid for in market-economy currency. See ''Factor Valuations'' section below.

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, we multiplied the reported per-unit factor quantities by publicly available Indian surrogate values (except as noted below). 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. For a detailed description of all surrogate values used for respondents, see the Factor Valuation Memorandum. For a detailed description of all actual values used for market-economy inputs, see the Red Point Preliminary Calculation Memorandum dated July 30, 2001, and the Max Fortune Preliminary Calculation Memorandum dated July 30, 2001.

Because we used Indian import values to value inputs purchased domestically by the Chinese producers, we added to Indian surrogate values a surrogate freight cost calculated using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory. This adjustment is in accordance with the decision by the Court of Appeals for the Federal Circuit in *Sigma Corp.* v. *United States*, 117 F. 3d 1401 (Fed. Cir. 1997). Because the values were not contemporaneous with the POI, we adjusted for inflation using wholesale price indices published in the International Monetary Fund's International Financial Statistics.

Except as noted below, we valued raw material inputs using the weighted-average unit import values derived from Monthly Trade Statistics of Foreign Trade of India—Volume II—Imports (Indian Import Statistics) for the time period of April 2000 through September 2000 because POI-specific Indian import statistics data were not available. We adjusted the value for inflation using wholesale price indices published in the International Monetary Fund's International Financial Statistics.

As explained above, both Max Fortune and Red Point purchased certain raw material inputs from market-economy suppliers and paid for them in market-economy currencies. See Red Point's June 21, 2001, section D response at page 4 and Max Fortune's June 21, 2001, section D response at page D–5 for a description of these inputs. The evidence provided by the respondents indicated that their market-economy purchases of these inputs were paid for by the respondent in a market-economy currency. See Red Point's June 21, 2001, section D response at page 5 and Max Fortune's June 21, 2001, section D response at Exhibit 24. Therefore, the Department has determined to use the market-economy prices as reported by the respondents to value these inputs from both market-economy and NME suppliers because the market-economy inputs represented a significant quantity of the inputs in each case and they were paid for in a market-economy currency, in accordance with 19 CFR 351.408(c)(1).

To value electricity, we used the data we used in *Brake Rotors From the People's Republic of China: Preliminary Results and Partial Rescission of Fifth New Shipper Review,* 66 FR 29080, (May 29, 2001) (see Factors Valuation of the Preliminary Results Memorandum for that proceeding dated May 21, 2001). We had obtained this data from the Indian publication ''1995 Conference of Indian Industries: Handbook of Statistics and The Center for Monitoring Indian Economy.'' Because the rate from this source was not contemporaneous with the POI, we adjusted the rate for inflation.

The respondents reported the following packing inputs: corrugated boxes, cartons, shrink wrap, polybags, hand tags, tape, labels, and inner paper. We used Indian Import Statistics data for the period April 2000 through September 2000 (adjusted for inflation) for Red Point. See the Factor Valuation Memorandum. Max Fortune obtained all of its packing inputs, except as described below, from market-economy suppliers. For all packing inputs Max Fortune obtained from market-economy suppliers, we used the market-economy prices as reported by Max Fortune, in accordance with 19 CFR 351.408(c)(1). Max Fortune obtained cartons from both market-economy and NME suppliers. See Max Fortune's June 21, 2001, section D response at Exhibit 24. In accordance with 19 CFR 351.408(c)(1), we used the market-economy prices as reported by Max Fortune to value all cartons.

We used Indian transport information to value transport for raw materials. To calculate domestic inland freight (truck), we used a price report from The Financial Express for transporting materials between Mumbai and Surat (263 kilometers), which was provided in Exhibit 22 of Max Fortune's June 29, 2001, surrogate-value submission. We converted the Indian Rupee value to U.S. dollars and adjusted for inflation.

Both respondents identified a by-product (paperboard scrap) which they

claimed is sold to customers in the PRC. The Department has offset the respondents' cost of production by the value of a reported by-product where the respondents' responses indicated that it was sold and/or where the record evidence demonstrates clearly that the by-product was re-entered into the production process. We intend to examine this issue more closely at verification for both respondents. See the Factor Valuation Memorandum for a complete discussion of by-product credits given and the surrogate values used.

To value factory overhead expenses, selling, general and administrative expenses (SG&A), and profit we calculated a rate based on financial statements from an Indian producer of comparable merchandise, Rollatainers Limited. For a further discussion of the surrogate values for overhead, SG&A and profit, see the Factor Valuation Memorandum.

For labor, consistent with 19 CFR 351.408(c)(3), we used the PRC regression-based wage rate at Import Administration's home page, 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 is the 1999 Year Book of Labour Statistics, International Labor Office (Geneva: 1999), Chapter 5B: Wages in Manufacturing.

Verification

As provided in section 782(i) of the Act, we will verify the 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 from the PRC that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the 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 or CEP, as indicated in the chart 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 percent margin
Red Point Paper Products Co., Ltd	30.11
Max Fortune Industrial Ltd	14.05
PRC-wide Rate	164.75

The PRC-wide rate applies to all entries of the subject merchandise except for entries from exporters/producers that are identified individually above.

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(f) and 777(i)(1) of the Act.

Dated: July 30, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 01–19622 Filed 8–3–01; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–412–803]

Industrial Nitrocellulose From the United Kingdom; Final Results of Antidumping Duty Administrative Review

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

SUMMARY: On April 11, 2001, the Department of Commerce (the Department) published the preliminary results of the administrative review of the antidumping duty order on industrial nitrocellulose (INC) from the United Kingdom (66 FR 18749). This review covers one manufacturer/exporter of the subject merchandise (Imperial Chemical Industries, PLC). The period of review (POR) is July 1, 1999, through June 30, 2000.

Based on our analysis of the comments received, we have made changes in the margin calculation. Therefore, the final results differ from the preliminary results. The final weighted-average dumping margin for the reviewed firm is listed below in the section entitled ''Final Results of Review.''

EFFECTIVE DATE: August 6, 2001.

FOR FURTHER INFORMATION CONTACT: Nithya Nagarajan or Michele Mire, Office of AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th