[2] If one of the above named companies does not qualify for a separate rate, all other exporters of sulfanilic acid from the People's Republic of China who have not qualified for a separate rate are deemed to be covered by this review as part of the single PRC entity of which the named exporters are a part.

During any administrative review covering all or part of a period falling between the first and second or third and fourth anniversary of the publication of an antidumping duty order under § 351.211 or a determination under § 351.218(f)(4) to continue an order or suspended investigation (after sunset review), the Secretary, if requested by a domestic interested party within 30 days of the date of publication of the notice of initiation of the review, will determine whether antidumping duties have been absorbed by an exporter or producer subject to the review if the subject merchandise is sold in the United States through an importer that is affiliated with such exporter or producer. The request must include the name(s) of the exporter or producer for which the inquiry is requested.

Interested parties must submit applications for disclosure under administrative protective orders in accordance with 19 CFR 351.305.

These initiations and this notice are in accordance with section 751(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1675(a)) and 19 CFR 351.221(c)(1)(i).

Dated: September 20, 2002.

**Holly A. Kuga,**

*Senior Office Director, Group II, Office 4, Import Administration.*

[FR Doc. 02–24360 Filed 9–24–02; 8:45 am]

**BILLING CODE 3510–DS–P**

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## DEPARTMENT OF COMMERCE

### International Trade Administration

**[A–570–875]**

### Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Non-Malleable Cast Iron Pipe Fittings From the People's Republic of China

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

**EFFECTIVE DATE:** September 25, 2002.

**FOR FURTHER INFORMATION CONTACT:** Ron Trentham or Sam Zengotitabengoa, AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–6320 or (202) 482–4195, 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 of Commerce (the Department) regulations are to the regulations codified at 19 CFR part 351 (April 2002).

**Preliminary Determination**

We preliminarily determine that non-malleable cast iron pipe fittings (pipe fittings) from the People's Republic of China (PRC) are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 773 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 March 13, 2002. *See Notice of Initiation of Antidumping Duty Investigation: Non-Malleable Cast Iron Pipe Fittings From the People's Republic of China,* 67 FR 12966 (March 20, 2002) (*Initiation Notice*).[1] Since the initiation of the investigation, the following events have occurred.

On April 9, 2002, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured by reason of pipe fitting imports from the PRC. *See Non-Malleable Cast Iron Pipe Fittings From China,* 67 FR 18635 (April 16, 2002). During March and April 2002, the Department provided participating parties with an opportunity to comment on scope and product characteristics.

The Department issued its non-market economy (NME) antidumping questionnaire[2] to the companies Beijing Metals & Minerals, Beijing Tongxian Yongxin Shop, China Unicom, Jinan Meide Casting Co., Ltd. (JMC), and Shanghai Foreign Trade Enterprises Co., Ltd. (SFTEC), the PRC Ministry of Foreign Trade & Economic Cooperation (MOFTEC), and the Embassy of the PRC in Washington, DC, on May 7, May 14, and May 20, respectively. The Department requested that MOFTEC send the questionnaire to the companies who manufacture and export non-malleable cast iron pipe fittings to the United States, as well as manufacturers who produce non-malleable cast iron pipe fittings for companies who were engaged in exporting subject merchandise to the United States during the period of investigation (POI). Only JMC and SFTEC responded to the Department's questionnaire. The Department issued supplemental questionnaires to JMC and SFTEC, where appropriate.

On July 11, 2002, pursuant to section 733(c)(1)(B) of the Act, the Department postponed the preliminary determination of this investigation until September 19, 2002. *See Non-Malleable Cast Iron Pipe Fittings From the People's Republic of China: Postponement of Preliminary Determination of Antidumping Duty Investigation,* 67 FR 50866 (August 6, 2002).

*Postponement of the Final Determination*

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. The Department's regulations, at 19 CFR 351.210(e)(2), require that requests by respondents for postponement of a final determination be accompanied by a request for an extension of the provisional measures from a four-month period to not more than six months.

On September 13, 2002, JMC requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination until 135 days after the publication of the

[1] The petitioners in this investigation are Anvil International, Inc. and Ward Manufacturing, Inc.

[2] In NME instances, Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section C requests a complete listing of U.S. sales. Section D requests information on the factors of production of the merchandise sold in or to the United States. Section E requests information on further manufacturing.

preliminary determination. JMC also included a request to extend the provisional measures to not more than six months after the publication of the preliminary determination. Accordingly, in accordance with section 351.210(e) of the Department's Regulations, because we have made an affirmative preliminary determination, the requesting party accounts for a significant proportion of exports of the subject merchandise, and no compelling reasons exist to deny the request, we have postponed the final determination until not later than 135 days after the date of the publication of the preliminary determination, and are extending the provisional measures accordingly. *See* JMC's letter to the Assistant Secretary, dated September 13, 2002.

*Period of Investigation*

The POI is July 1, 2001, through December 31, 2001. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, February 2002). *See* 19 CFR 351.204(b)(1).

*Scope of Investigation*

For purposes of this investigation, the products covered are finished and unfinished non-malleable cast iron pipe fittings with an inside diameter ranging from ¼ inch to 6 inches, whether threaded or un-threaded, regardless of industry or proprietary specifications. The subject fittings include elbows, ells, tees, crosses, and reducers as well as flanged fittings. These pipe fittings are also known as cast iron pipe fittings or gray iron pipe fittings. These cast iron pipe fittings are normally produced to ASTM A–126 and ASME B.16.4 specifications and are threaded to ASME B1.20.1 specifications. Most building codes require that these products are Underwriters Laboratories (UL) certified. The scope does not include cast iron soil pipe fittings or grooved fittings or grooved couplings.

Fittings that are made out of ductile iron that have the same physical characteristics as the gray or cast iron fittings subject to the scope above or which have the same physical characteristics and are produced to ASME B.16.3, ASME B.16.4, or ASTM A–395 specifications, threaded to ASME B1.20.1 specifications and UL certified, regardless of metallurgical differences between gray and ductile iron, are also included in the scope of this petition. These ductile fittings do not include grooved fittings or grooved couplings. Ductile cast iron fittings with mechanical joint ends (MJ), or push on ends (PO), or flanged ends and produced to the American Water Works Association (AWWA) specifications AWWA C110 or AWWA C153 are not included.

Imports of covered merchandise are classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers 7307.11.00.30, 7307.11.00.60, 7307.19.30.60 and 7307.19.30.85. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding is dispositive.

*Class or Kind of Merchandise*

In accordance with the preamble to our regulations (*see Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27295, 27323 (May 19, 1997)), we set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 days from the publication of the *Initiation Notice. See Initiation Notice*, 67 FR at 12966. Interested parties submitted such comments by April 9, 2002.

On April 9, 2002, JDH Pacific, Inc. (JDH), a U.S. importer of ductile iron pipe fittings from the PRC and an interested party, under section 771(9)(A) of the Act, requested that the Department determine that there are two separate classes or kinds of merchandise under investigation: gray iron pipe fittings and ductile iron pipe fittings. JDH further requested that the Department establish a separate antidumping investigation with respect to ductile iron pipe fittings and then terminate the investigation because the petitioners do not produce ductile iron pipe fittings and, thus, do not qualify as interested parties under section 771(9)(C) with respect to an antidumping investigation of ductile fittings from the PRC. For the reasons outlined below, we determine that ductile iron pipe fittings and gray iron pipe fittings do not constitute separate classes or kinds of merchandise.

In past cases where the Department has been called upon to determine the number of classes or kinds of merchandise under investigation, we have based our analysis on the criteria set forth by the Court of International Trade in *Diversified Products* v. *United States*, 6 CIT 155, 572 F. Supp. 883 (1983) (*Diversified Products*). *See Final Determination of Sales at Less Than Fair Value: Sulfer Dyes, Including Vat Dyes, From the United Kingdom*, 58 FR 3253 (January 8, 1993) (*Sulfer Dyes*). According to *Diversified Products*, the Department may rely upon the following factors in determining whether products belong to the same class or kind of merchandise: (1) The physical characteristics of the merchandise; (2) the ultimate use of the merchandise; (3) the expectations of the ultimate user; (4) the channels of trade in which the product is sold; (5) the manner in which the product is advertised.

Regarding four of the five *Diversified Products* criteria (*i.e.*, ultimate use, expectations of the ultimate user, channels of trade, and manner of advertising), we find that there are no differences between the two types of pipe fittings. Both ductile iron pipe fittings and gray iron pipe fittings have the same uses and the expectations of the ultimate users are the same for both products. Further, both products move through the same channels of distribution and are advertised and displayed in the same manner.

With respect to the remaining *Diversified Products* criterion (the physical characteristics of the merchandise), we note that, when examining differences in physical characteristics in the context of class or kind analysis, the Department looks for clear dividing lines between product groups, not merely the presence or absence of physical differences between certain products. In this specific instance, although there are physical differences between ductile iron pipe fittings and gray fittings (elasticity, impact resistance, and strength/weight), ductile iron pipe fittings and gray iron pipe fittings are comparable in castability, ease of machining, vibration damping, surface hardenability, corrosion resistance, and wear resistance. Therefore, while there are physical differences between ductile iron pipe fittings and gray iron pipe fittings, we find that these physical differences are not so great or so clearly delineated as to form the sole basis for determining that these products constitute separate classes or kinds of merchandise. In other words, the physical differences among these products are not by themselves proof of different classes or kinds of merchandise. *See Sulfer Dyes* 58 FR 3253.

In light of the *Diversified Products* criteria, our analysis of ductile iron pipe fittings and gray iron pipe fittings supports a finding that these products constitute a single class or kind of merchandise. (For a more detailed discussion of this issue, see Memorandum regarding class or kind determination, from Holly A. Kuga, Senior Director, to Bernard T. Carreau, Deputy Assistant Secretary, dated concurrently with this notice.)

*Non-Market Economy Country Status*

The Department has treated the PRC as an NME country in all its past antidumping investigations. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Circular Welded Carbon-Quality Steel Pipe From the People's Republic of China*, 67 FR 36570, 36571 (May 24, 2002); and *Notice of Final Determination of Sales at Less Than Fair Value: Structured Steel Beams From the People's Republic of China*, 67 FR 35479, 35480 (May 20, 2000); and *Notice of Final Determination of Sales at Less Than Fair Value Certain: Folding Metal Tables and Chairs From the People's Republic of China*, 67 FR 20090 (April 24, 2002). In accordance with section 771(18)(C) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked. No party to this investigation has sought revocation of the NME status of the PRC. Therefore, pursuant to section 771(18)(C) of the Act, the Department will continue to treat the PRC as an NME country.

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs the Department to base 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.

*Separate Rates*

In an NME proceeding, the Department presumes that all companies within the country are subject to governmental control and should be assigned a single antidumping duty rate unless the respondent demonstrates the absence of both *de jure* and *de facto* governmental control over its export activities. *See Notice of Final Determination of Sales at Less Than Fair Value: Bicycles From the People's Republic of China*, 61 FR 19026, 19027 (April 30, 1996). JMC and SFTEC have provided the requested company-specific separate rates information and have indicated that there is no element of government ownership or control over their operations. We have considered whether JMC and SFTEC are eligible for a separate rate as discussed below.

The Department's separate-rates test 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. Rather, the test focuses on controls over the export-related investment, pricing, and output decision-making process at the individual firm level. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From Ukraine*, 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 *Notice of Preliminary Determination of Sales at Less Than Fair Value: Honey From the People's Republic of China*, 60 FR 14725, 14727 (March 20, 1995).

To establish whether a firm is sufficiently independent from government control 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), as modified in the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People's Republic of China*, 59 FR 22585, 22587 (May 2, 1994) (*Silicon Carbide*). Under this test, the Department assigns separate rates in NME cases only if an exporter can demonstrate the absence of both *de jure* and *de facto* governmental control over its export activities. *See Silicon Carbide* and the *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995).

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.

JMC and SFTEC have placed on the record a number of documents to demonstrate the absence of *de jure* control, including their business licenses, and the ''Company Law of the People's Republic of China'' of December 29, 1993. Other than limiting JMC's and SFTEC's operations to the activities referenced in the license, we noted no restrictive stipulations associated with the license. In addition, in previous cases, the Department has analyzed the ''Company Law of the People's Republic of China'' and found that it establishes 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). We have no information in this proceeding which would cause us to reconsider this determination. Therefore, based on the foregoing, we have preliminarily found an absence of *de jure* control.

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 subject to, the approval of a governmental authority; (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 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.

With regard to the issue of *de facto* control, JMC and SFTEC have reported the following: (1) There is no government participation in setting export prices; (2) their managers have authority to bind sales contracts; (3) they do not have to notify any government authorities of their management selection, and (4) there are no restrictions on the use of their export revenue and they are responsible for financing their own losses. Additionally, JMC's and SFTEC's questionnaire responses do not suggest that pricing is coordinated among exporters. Furthermore, our analysis of JMC's and SFTEC's questionnaire responses reveals no other information indicating governmental control of export activities. Therefore, based on the information provided, we preliminarily determine that there is an absence of *de facto* government control over JMC's and SFTEC's export functions. Consequently, we preliminarily determine that JMC and SFTEC have met the criteria for the application of separate rates. (For a more detailed discussion of this issue, *see Memorandum to Holly A. Kuga, Senior Director, Re Separate Rates Analysis for Preliminary Determination*, dated concurrently with this notice.)

*The PRC-Wide Rate*

In all NME cases, the Department makes a rebuttable presumption that all exporters located in the NME country comprise a single exporter under common government control, the ''NME entity.'' Although the Department provided all PRC exporters of the subject merchandise, including Beijing Metals & Minerals, Beijing Tongxian Yongxin Shop, China Unicom, Jinan Meide Casting Co., Ltd. (JMC), and Shanghai Foreign Trade Enterprises Co., Ltd. (SFTEC), the PRC Ministry of Foreign Trade & Economic Cooperation (MOFTEC), and the Embassy of the PRC in Washington, DC, with the opportunity to respond to its questionnaire, only JMC and SFTEC submitted responses thereto. However, our review of U.S. import statistics reveals that there are other PRC companies, in addition to JMC and SFTEC, that exported pipe fittings to the United States during the POI. Because these exporters did not submit a response to the Department's questionnaire, and thus did not demonstrate their entitlement to a separate rate, we have implemented the Department's rebuttable presumption that these exporters constitute a single enterprise under common control by the PRC government, and we are applying adverse facts available to determine the single antidumping duty rate, the PRC-wide rate, applicable to all other PRC exporters comprising this single enterprise. *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).

*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 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. As explained above, some exporters of the subject merchandise failed to respond to the Department's request for information. The failure of these exporters to respond significantly impedes this proceeding. Thus, pursuant to section 776(a) of the Act, in reaching our preliminary determination, we have based the PRC-wide rate on total facts available.

In applying facts otherwise available, 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. Adverse inferences are appropriate ''to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.'' *See Statement of Administrative Action SAA accompanying the URAA*, H.R. Doc. No. 316, 103d Cong., 2d Session at 870 (1994). Furthermore, ''affirmative evidence of bad faith on the part of the respondent is not required before the Department may make an adverse inference.'' *See Antidumping Countervailing Duties; Final Rule*, 62 FR 27296, 27340 (May 19, 1997). In this case, the complete failure of these exporters to respond to the Department's requests for information constitutes a failure to cooperate to the best of their ability.

An adverse inference may include reliance on information derived from the petition, the final determination in the investigation, any previous review, or any other information placed on the record. *See* section 776(b) of the Act. However, 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, the Department shall, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. Independent sources may include published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation or review. *See* SAA at 870 and 19 C.F.R. 351.308(d). ''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 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 (November 6, 1996).

For our preliminary determination, as adverse facts available, we have used as the PRC-wide rate the recalculated dumping margin from the petition (see below). In the petition, the petitioners based export price (EP) on import values submitted to the U.S. Customs Service. For the NV calculation, the petitioners based the factors of production, 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 the petitioners.

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. To corroborate the petitioners' NV calculations, we compared the petitioners' factor consumption data to that data on the record of this investigation. As discussed in a separate memorandum to the file, we found that the factors consumption data in the petition were reasonable and of probative value. *See the Memorandum to the File Regarding Corroboration of the Petition Data for the PRC-Wide Entity*, dated September 19, 2002. The values for the factors of production in the petition were based on publicly available information for comparable inputs; therefore, we find that these Indian surrogate values are sufficiently corroborated.

As a result of this calculation, the PRC-wide rate, for the preliminary determination, is 55.13 percent. For the final determination, the Department will consider all information on the record at the time of the final determination for the purpose of determining the most appropriate final PRC-wide margin.

*Fair Value Comparison*

To determine whether JMC's and SFTEC's sales of pipe fittings to customers in the United States were made at LTFV, we compared EP to NV, calculated using our NME methodology, as described in the ''Export Price'' and ''Normal Value'' sections of this notice below. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs.

*Export Price*

We used an EP methodology in accordance with section 772(a) of the Act because JMC and SFTEC sold subject merchandise to unaffiliated U.S. customers prior to importation and because a constructed export price methodology was not otherwise warranted. At the time of sale, JMC and SFTEC knew that its reported sales of the subject merchandise were destined for the United States.

We calculated EP based on the packed, delivered prices charged to the first unaffiliated customer for exportation to the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight, brokerage and handling, international freight, and marine insurance. Where foreign inland freight, marine insurance, and brokerage and handling were provided by NME companies, we used surrogate values from India to value these expenses (*see the Factors of Production Valuation Memorandum* dated September 19, 2002, on file in the Central Records Unit (CRU) located in B–099 of the main Department of Commerce building). For sales with international freight provided by NME shipping companies we used as the surrogate value a freight cost obtained from U.S. customs import statistics (*see the Factors of Production Valuation Memorandum*).

*Normal Value*

1. Surrogate Country

Section 773(c)(4) of the Act requires that the Department value the NME producer's factors of production, to the extent possible, on the prices or costs of factors of production 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. The Department's Office of Policy initially identified five countries that are at a level of economic development comparable to the PRC in terms of per capita GNP and the national distribution of labor. Those countries are India, Pakistan, Indonesia, Sri Lanka and the Philippines (*see the Memorandum From Jeffrey May to Holly Kuga* dated May 17, 2002, on file in the CRU). Furthermore, based on import statistics, India was the most significant producer of comparable merchandise. Therefore, we have preliminarily calculated NV by applying Indian values to JMC's and SFTEC's factors of production.

2. Factors of Production

In their questionnaire responses, JMC and SFTEC reported factors of production for the manufacturers of the subject merchandise during the POI. The 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. *See* section 773(c)(3) of the Act. To calculate NV, we multiplied the reported per-unit quantities by publicly available surrogate values from India.

The surrogate values employed for the production of non-malleable cast iron pipe fittings were used because of their quality, specificity, and contemporaneity. For those values not contemporaneous with the POI, we adjusted the values to account for inflation using wholesale price indices published in the International Monetary Fund's International Financial Statistics. As appropriate, we included freight costs in input prices to make them delivered prices. Specifically, we added to the surrogate values a surrogate freight cost calculated using the shorter of the reported distance from the domestic input supplier to the factory processing subject merchandise or the distance from the nearest seaport to the relevant 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, 1407–1408 (Fed. Cir. 1997).

We valued material inputs and packing materials (including steel scrap, pig iron, limestone, ferrosilicon, ferromanganese, cast iron scrap, protective cover, innoculant, nodulizer, lubricating oil, cartons, wooden crates, woven bags, anti-rusting oil, plastic sheet, adhesive tape, wood, and nails) using publicly available 2001 Indian import statistics from the appropriate Indian Trade Classification categories, based on the Harmonized Commodity Description and Coding System (HS), published by the *Monthly Statistics of the Foreign Trade of India. Volume II: Imports (Indian Import Statistics*).

For energy, we valued foundry coke, coal, and firewood using *Indian Import Statistics.* We valued electricity using the 1997 Indian Industrial rate as reported by the International Energy Agency (IEA) in *Energy, Prices, and Taxes, 2nd Quarter 2000 (EPT 2000)* multiplied by an inflator to make the value contemporaneous with the POI. This method was used in the notice of *Final Results of Antidumping Duty Administrative Review, Silicomanganese From the People's Republic of China (Silicomanganese),* 65 FR 31514 (May 18, 2000).

We valued labor using the latest regression-based wage rate for China found on Import Administration's Web page (*http://ia.ita.doc.gov/wages/*) as described in 19 CFR 351.408(c)(3).

To value foreign inland truck freight costs, we relied upon per kilometer price quotes used by the Department in the *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), multiplied by an inflator to make the value contemporaneous with the POI. To value foreign inland rail freight costs, we relied upon per kilometer price quotes from the July 2001 *Reserve Bank of India Bulletin,* multiplied by an inflator to make the value contemporaneous with the POI. To value foreign inland boat freight costs, we relied upon per kilometer price quotes cabled to the Department from the U.S. consulate in Bombay, India, during the *Antidumping Duty Investigation of Certain Helical Spring Lock Washers from the People's Republic of China,* 58 FR 48833 (September 20, 1993), multiplied by an inflator to make the value contemporaneous with the POI. We valued ocean freight, marine insurance, and brokerage and handling using the rates in effect in India, for these expenses, which were reported in the public version of the questionnaire response placed on the record in *Certain Stainless Steel Wire Rod From India: Final Results of Administrative and New Shipper Review,* 64 FR 856 (January 6, 1999), multiplied by an inflator to make the values contemporaneous with the POI.

Because the Department did not find industry specific data to calculate selling, general and administrative (SG&A) expenses, factory overhead, and profit, we used the ''1999–2000 combined income, value of production, expenditure and appropriation account'' for a sample of 1,914 public limited companies in India that were reported in the June 2001 *Reserve Bank of India Bulletin,* as previously used in *Potassium Permanganate From the PRC: Preliminary Results of Antidumping New Shipper Review,* 67 FR 303 (January 3, 2001).

For a complete analysis of surrogate values used in the preliminary determination, *see the Factors of Production Valuation Memorandum.*

*Verification*

In the instant case, both respondents assert that the use of average input quantities across products (both across subject and non-subject and between subject products) does not distort the factors of production data and, therefore, that their data should be used in the calculation of NV. Their assertions are based on technical factors, such as the fact that, for castings (low yield or otherwise), while more iron is required than the net raw castings weigh, that extra iron is virtually all recovered and reused. The petitioner asserts that because the subject pipe fittings experience greater yield loss than other types of castings, the use of averages inherently distorts product-

specific factors of production data. Because the question of whether or not the use of average factors of production data distorts the calculated NV is a factual one and can be verified by the Department, we will verify the respondents' data to determine whether their assertions are correct. Therefore, after verification in accordance with section 782(i) of the Act, we will reconsider this issue for the final determination after we have a clearer understanding of the facts and verify all information relied upon in making our final determination.

*Suspension of Liquidation*

We are directing the U.S. Customs Service (Customs Service) to suspend liquidation of all entries of pipe fittings from the PRC entered, or withdrawn from warehouse, for consumption on or after the date on which this notice is published in the **Federal Register**. In addition, we are instructing 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, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

We determine that the following percentage weighted-average margins exist for the POI:

| Manufacturer/exporter | Weighted-average margin (percent) |
|---|---|
| Jinan Meide Casting Co., Ltd | 12.55 |
| Shanghai Foreign Trade Enterprises Co., Ltd | 18.97 |
| PRC-Wide Rate | 55.13 |

The PRC-wide rate applies to all entries of the subject merchandise except for entries from JMC and SFTEC.

*Disclosure*

In accordance with 19 CFR 351.224(b), the Department will disclose the calculations performed in the preliminary determination to interested parties within five days of the date of publication of this notice.

*ITC Notification*

In accordance with section 733(f) of the Act, we have notified the ITC of the Department's preliminary affirmative determination. If the final determination in this proceeding is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of non-malleable cast iron pipe fittings from the PRC are materially injuring, or threaten material injury to, the U.S. industry.

*Public Comment*

In accordance with 19 CFR 351.301(c)(3)(i), interested parties may submit publicly available information to value the factors of production for purposes of the final determination within 40 days after the date of publication of this preliminary determination. Case briefs or other written comments must be submitted to the Assistant Secretary for Import Administration no later than one week after issuance of the verification reports. Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days after the deadline for the submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, we request that parties submitting briefs and rebuttal briefs provide the Department with a copy of the public version of such briefs on diskette.

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. If a request for a hearing is made, we will tentatively hold the hearing two days after the deadline for submission of rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, at a time and in a room to be determined. Parties should confirm by telephone the date, time, and location of the hearing 48 hours before the scheduled date.

Interested parties who wish to request a hearing, or to participate in a hearing 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. 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, oral presentations will be limited to issues raised in the briefs. *See* 19 CFR 351.310(c). The Department will make its final determination no later than 135 days after the date of publication of this preliminary determination.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act.

Dated: September 19, 2002.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 02–24359 Filed 9–24–02; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

**[A–471–806]**

### Notice of Final Determination of Sales at Less Than Fair Value: Sulfanilic Acid from Portugal

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

**ACTION:** Notice of Final Determination of Sales at Less Than Fair Value.

**SUMMARY:** The Department of Commerce is conducting an antidumping duty investigation of sulfanilic acid from Portugal. We determine that sulfanilic acid from Portugal is being, or is likely to be, sold in the United States at less than fair value, as provided in section 735(a) of the Tariff Act of 1930, as amended. On May 6, 2002, the Department of Commerce published its preliminary determination of sales at less than fair value of sulfanilic acid from Portugal. Based on the results of verification and our analysis of the comments received, we have made changes in the margin calculations. Therefore, this final determination differs from the preliminary determination. The final weighted-average dumping margins are listed below in the section entitled ''Continuation of Suspension of Liquidation.''

**EFFECTIVE DATE:** September 25, 2002.

**FOR FURTHER INFORMATION CONTACT:** S. Anthony Grasso and Andrew Smith, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–3853, (202) 482–1276, respectively.

**SUPPLEMENTARY INFORMATION:**

### 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 of Commerce (''Department'') regulations are to the